The China Weekly
REVIEW
密勒氏評論報

A Weekly Newspaper Established in 1917

Is Yunnan Going the Same Road as Manchuria?

BY WILBUR BURTON

The first of a series of articles on Yunnan and Indo-China specially written for the China Weekly Review

OTHER ARTICLES IN THIS ISSUE

Japanese Arrest, Detention and Deportation of Lord Marley
Japan Would Block China-Manila-America Aviation Service
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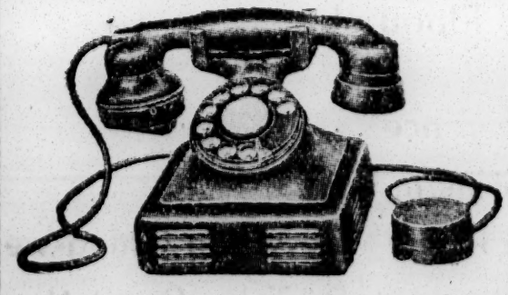

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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JAPAN NOW FAVORS ANOTHER PACIFIC CONFERENCE

THE Chinese, American and British delegates attending the Fifth Biennial Conference of the Institute of Pacific Relations at Banff, Canada must have glanced at each other and smiled significantly on Thursday, August 24 when two Japanese delegates, Professors Yasaka Takagi and Kisaburo Yokotaka of the Tokyo Imperial University proposed that an international conference be called in the near future for the purpose of settling some of the outstanding questions. The Japanese delegates, in all probability, explained they were speaking unofficially, but this didn't lessen the significance of the proposal for no Japanese delegate anywhere ever makes an important proposal without first having consulted his home officials. The news reports regarding the Japanese proposal and ensuing action by the Institute were not clear but a *Reuter* report from Banff on Aug. 24 suggested in the event such a conference was called, that Canada, the United States, Australia, China, Russia, France and Japan be asked to send delegates. The same report stated that the Chinese delegates had emphatically refused to consider the Japanese proposal until Japan had withdrawn from Manchuria, abolished the puppet state of Manchukuo and regularized her treaty relations with respect to the Nine-Power Treaty, Kellogg Pact and League Covenant. Sir Herbert Samuel, fromer British Home Minister, who attended the Institute as a member of the British delegation then proposed that a new Pacific security pact be developed that would include certain provisions from the present treaties as well as the Hoover-Stimson doctrine of non-recognition of territories acquired by means of violence.

These reports indicated that while the Manchurian issue may not have been discussed directly, the subject nevertheless was constantly in the background of most of the other matters considered. Hence it was most interesting indeed that the Japanese after scrapping all of the treaties which representatives of their country have signed since the World War, should now propose a new conference and the negotiation of new agreements. The Japanese delegates at the Banff conference doubtless were inspired by two major considerations, one being a hope that new agreements might be negotiated that would tend to legalize their present illegal position and thus enable them to hold some of their ill-gotten gains.

But the most important consideration that inspired them in all probability was the present desperate situation in which their country now finds itself after two years of running amok. Literally it is no exaggeration to say that Japan is now in active conflict with practically every other nation of consequence in the world; has practically destroyed her international credit and is regarded with profound suspicion everywhere. And to make the situation still worse there is a general belief that the country is on the verge of a devastating domestic revolution.

There have been further indications that the leaders of Japan are worried about their relations with other countries. The official *Rengo* service reported on Aug. 28 that a serious attempt is to be made to "adjust" Japan's relations with the United States over the Manchurian issue and the naval question. The message stated that an attempt will be made to convince the United States that there is no motive of aggression behind Tokyo's present moves to revise Washington and London naval agreements and in addition a serious attempt will be made to improve trade between America and Manchukuo as a means of improving American feelings on the Manchurian question.

But of more significance in this connection was a report from official circles in Washington on July 21 stating that Japan is becoming increasing worried over the American naval construction program which will bankrupt Japan if she makes a serious attempt to compete with it. The Washington report stated that there is increasing evidence that the civil leaders of Japan are beginning to blame their military for getting them into an expensive armament race with the United States which Japan is in no possible condition to carry through to its logical conclusion—a war in the Pacific!

Therefore the Japanese delegates at the Banff meeting propose another Pacific conference. But before such a conference could be held it would be necessary to make numerous adjustments. Japan would have to regularize her position in Manchuria in such fundamental manner that the suspicion and antagonism of her near neighbors would be eliminated. In other words she would be compelled to rectify a number of serious mistakes which her warlords have made and this would require a serious domestic operation. Frankly, one doubts whether this can be done, because it would necesitate going back to first principles, otherwise the treaties which the Tokyo warlords have trampled on for the past two years. Rather are we inclined to the belief that the military overlords of the empire have created a situation from which they cannot retreat without either a domestic revolution or a foreign war. When the Tokyo military clique gave the order for the advance into Manchuria two years ago, they threw down the gauntlet to the entire world. Now their challenge has been answered. Japan now finds herself in a position where she must do one of two things: Go back to first principles, otherwise normal relations with her neighbors which means treaty observance; or the alternative, a competitive naval race which will end in war. President Roosevelt was reported to have told Ishii in effect that if Japan did not intend to abide by the spirit of arms limitation the United States was prepared to spend four billion dollars on her navy. The time apparently has arrived for Japan to make her choice!

Japanese Arrest, Detention and Deportation of Lord Marley

"We may be sure that something more will be heard of it"

LORD MARLEY, former Under-Secretary for War in the late Labor Government in Great Britain and at present chief opposition whip in the House of Lords, was arrested by Japanese police in Kobe on August 20 and after detention by the police for two days was deported to Shanghai. This in simple terms is what happened to a prominent Briton who went to Japan to preach the doctrine of anti-war, hence we can but repeat the last sentence of an editorial on the subject which appeared in the *Japan Chronicle*, liberal British paper published in Kobe, "We may be sure that something more will be heard about it."

Lord Marley arrived in Shanghai on August 18, accompanied by another Briton, Gerald Hamilton; two Frenchmen, M. Vaillant-Couturier, George Poupy (and Mrs. Poupy), and a Belgian, Dr. Jean Marteaux, former Mayor of Brussels and member of the Belgian parliament. Their announced purpose in coming to Shanghai was to make preparations for the holding of an "Anti-War Conference" to be participated in by delegates from various European countries, the United States, Canada, Australia, China, Japan and elsewhere. After establishing their headquarters at Shanghai's leading Cathay hotel, Lord Marley and Dr. Jean Marteaux proceeded to Japan aboard the Dollar line steamer *President Coolidge*, their object being to arrange for delegates to attend the conference from Japan. The *President Coolidge* docked at Kobe on August 20 and at that point the fireworks began, the following paragraphs being summarized from Lord Marley's interview with newspaper correspondents upon his return to Shanghai.

Immediately after the ship had docked at 7:30 in the morning, it was boarded by four sets of Japanese police and gendarmes representing the Kobe city and prefectural administration, the Home and Foreign offices at Tokyo and a special staff of investigators and photographers representing the Government Press Bureau in Tokyo. Lord Marley, being the head of the anti-war conference group, was immediately subjected to an intense investigation by each of the different groups of Japanese inquisitors, each working in turn while the preceding group went to the long-distance telephone and reported to its chief in Tokyo. This lasted for more than four hours, following which Lord Marley and Dr. Marteaux were permitted to have luncheon, after which the questioning was started all over again. Despite the fact Lord Marley carried an official passport issued by the British Govern-

ment, giving full particulars as to his name, age, occupation and purpose in traveling abroad, which passport contained the official vise of the Japanese Embassy in London, he was compelled to repeat, over and over again, that his name was Lord Marley, etc., etc., etc." There then followed a long series of questions of which the following were samples,

Q. Whom do you want to see in Japan?
A. The British ambassador.
Q. Do you want to land at Kobe?
A. No.
Q. Do you want to go to Yokohama?
A. Yes.
Q. Do you want to see the government officials in Tokyo?
A. Yes, I want to see General Araki, the war minister, and other important members in the government. Interviews will be arranged through the British Embassy in Tokyo.
Q. What do you want to see General Araki for?
A. I want to ask permission for the Japanese delegates to attend the anti-War conference.
Q. Do you want to see Mr. Kanju Kato? (Prominent leftist labor leader).
A. I have not heard of him.
Q. Do you know that Mr. Kato is now in Shanghai?
A. No. But I am glad to hear that.
Q. Are you a communist? Do you support communism?
Do you believe in communism?
A. I am not a communist and I am not a member of the communist party. I realize that the communistic solution as applied to one country may not be applicable to another country. But I do not oppose communism. I sympathize with the objectives of communism. I am a socialist, and if anybody says that communism is the next step beyond socialism, he is welcome to hold that opinion. I wish to work with communists as with members of other political parties.

This was followed by another set of questions put to Lord Marley who made due replies as follows:

Q. Did you see Madame Sun Yat-sen in Shanghai?
A. Yes, I did.
Q. Did you know Madame Sun before?
A. No.
Q. Have you telephoned to the British Embassy?
A. No. It is not necessary.
Q. What is the United Front Anti-War Conference?

To the last question, Lord Marley made a detailed explanation of the purposes and ideals of the anti-war conference.

At about 1:45 in the afternoon a further group of Japanese officials came aboard the ship and explained to Lord Marley and his associate that they would not be permitted to land on Japanese soil. Lord Marley then explained to the Japanese that the American ship upon which they were traveling was bound for Honolulu, hence if they were not permitted to land in Japan it would be necessary for them to travel entirely across the Pacific before finding another boat to bring them back to Shanghai where the anti-war conference was scheduled to be held. This necessitated a further conference among the Japanese officials, the outcome of which was that Lord Marley and Dr. Marteaux "as a special favor" would be permitted to land, but before doing so they would be compelled to sign a document agreeing not to see anyone while ashore in Kobe and also agreeing to obey "police instructions." There was then a further delay because Lord Marley refused to sign the police document until the Japanese officials had inserted the word "reasonable" before the words "police instructions." Lord Marley explained facetiously that he insisted upon this modification in order to prevent the Japanese police and secret service men from compelling him to sleep in the street or "chew stones." The British Ex-Secretary of War and the Belgian Mayor of Brussels were then conducted by the police through the streets of Kobe to the Tor hotel which was immediately surrounded by a cordon of gendarmes thus keeping them confined to the premises and at the same time preventing a large number of Japanese labor leaders and representatives of Fascist and reservists organizations from entering for the purpose of interviews. Lord Marley was prevented from communicating with the British Consul, Mr. Phipps, at Kobe or with the British Embassy at Tokyo. During the inquisition on the ship Lord Marley and Dr. Marteaux were repeatedly photographed and on several occasions were compelled to pose for different groups of photographers who insisted upon taking front, side and rear views, the process being similar to police methods with respect to criminals. Also his personal papers and hand-luggage were thoroughly examined. Late during the first night ashore he received a telephone message from the customs house demanding the key to a box which he had left in bond. He refused this request, explaining that it was not necessary to examine the contents of this box as it had been left in bond, hence would be taken back to Shanghai upon the return trip. However, two days later when he went aboard the British steamer *Aeneas* to return to Shanghai, Lord Marley discovered that this box had been broken into and several books stolen, including works by Voltaire, Erasmus, and Descartes and several French novels in addition. Another book, frequently quoted in the past two years, called the "Tanaka Memorial," also was stolen. Mr. Phipps, British Consul at Kobe, finally managed to board the *Aeneas*, prior to the ship's sailing for Shanghai, this providing Lord Marley with an opportunity for lodging a protest regarding his treatment as well as the loss of his property.

This substantially is what the present military-dominated Imperial Japanese Government did to two prominent Europeans who attempted to visit Japan on a mission of "anti-war." The foregoing paragraphs are substantially what appeared in all of the English-language newspapers in Shanghai, based on Lord Marley's interview which was printed on Saturday, August 26. The remainder is a summary of his impressions regarding conditions in Japan based upon his visit and the stirring events which followed.

"Present Japanese policy is definitely pointed

toward war. The Japanese Government is in a state of extreme tension. The strength of the trade unions and workers associations is far greater than those not in touch with the movement have realized. As a result there are two well defined currents of thought, one pro-war which is fostered by the military faction now in control of the Government, and the other anti-war, fostered by the trade unions and workers associations." The result is the Government is panicky and is likely to do anything, even provoke a foreign war, in order to maintain control. The present tension is due to the serious economic position of Japan, plus an equally dangerous domestic political situation. Gen. Araki, Minister of War, frequently has declared that the present democratic organization of the Japanese Government must be altered.

"Regarding foreigners, American and Britons are hated and subjected to intolerable and vexatious treatment. They are treated as enemy aliens. As to the Americans this is due to the tension between Japan and the United States over the China and Pacific questions, the U. S. Fleet in the Pacific and other matters. It isn't necessary to take my word for it—as the representatives of all American and British steamship lines which touch Japan tell the same story, that American residents of Japan are persecuted and travelers from America or Great Britain are regarded with utmost suspicion, subjected to frequent indignities and generally regarded as enemy aliens. As to Anglo-Japanese relations the tension is due to the present bitter dispute and approaching conferences dealing with the China and Indian markets, which are vital to both countries.

"The military clique in present control of the Japanese Government realizes the underground strength of liberal anti-war sentiment which prevails among the labor elements, hence is uncertain of its position and is panicky. The Japanese have in recent years developed an immense industrialism, but have no home raw materials, are limited as to land, have an impoverished home population which cannot purchase the products of Japanese factories. Japan must therefore fight for outside markets. I purchased a pair of canvas shoes in Japan for 50-sen (equivalent to 13-cents in American currency). A similar pair of shoes made by British labor in an English factory would cost nine times as much.

"Japan is thus cursed with a dangerous political, industrial and social crisis and in consequence the military over-lords have decided that war is the only way out. They figure that a war would provide domestic employment, open a market and keep the people quiet. The war program provides, first, crush China, then Russia, then the United States. Japan is a victim of the capitalist-imperialist system which necessitates fighting for constantly narrowing markets. China's present pitiable status constitutes an excellent example of the working of the system. Japan has taken Manchuria, intends to keep it and knows she will not obtain recognition for her Manchukuo until she buys such recognition with concessions to the Powers. Japan's acquisition of Manchuria has narrowed the Chinese market and this has accentuated the struggle for the remainder on the part of Japan and the other Powers. Under the present imperialist system, the United States is compelled to arm against the rival menace in the Pacific. If the United States didn't arm in the present circumstances the country would shortly be reduced to the status of China. The reason? America is a rich country of 130,000,000 more or less prosperous people, hence would provide an excellent field for exploitation by more powerful rivals.

"The recent naval and aerial demonstrations held in Japan had two objectives. The aerial maneuvers at Tokyo were directed at Moscow, the Japanese object being to frighten the Japanese people into the belief that a powerful Soviet air-armada is concentrated at Vladivostok for the purpose of bombing Tokyo. Hence the Japanese people must dig down in their pockets for more money to purchase further air-bombers. The Naval maneuvers were directed at the United States, the object being similar: America is planning to atttack Japan, hence Japan must build more warships!"

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THE ANTI-WAR CONGRESS

What is to happen to the "Anti-War Conference" which Lord Marley and his fellow socialists are promoting had not been determined at the time these paragraphs were written. Owing to a general suspicion that the movement is communistically inspired, the local French and International Settlements as well as the Chinese authorities have not as yet granted permission for such a meeting to be held. The Chinese newspapers at Shanghai, under strong censorship, did not print a word of Lord Marley's interview referred to in the foregoing. Lord Marley has repeatedly explained that the Anti-War Conference, while including communists, is not a communist movement. It is made up chiefly of representatives of labor unions and trade associations in Occidental countries. Shanghai was selected as the meeting place due to the belief that this is the area where an international war is most likely to start. There was a report current in Chinese political circles that the ban on news regarding the organization was enforced by the Kuomintang due to the activity of certain individual and interests which have been affiliated with the Chinese communist movement. When Lord Marley and his associates arrived in Shanghai they were welcomed by Madame Sun Yat-sen, widow of the late Dr. Sun Yat-sen, who has been outspoken in her denunciation of the Kuomintang Party as at present administered. On the jetty where the ship carrying the delegates was docked, there appeared several delegations accompanied by two bands and bearing banners on which were inscribed such slogans as "Oppose Attacks on the U. S. S. R.," "Oppose Imperialistic Wars," "Oppose the Fascist Terror in Germany," "Down with the Kuomintang." It was necessary for the local municipal police to disperse the crowds and confiscate the banners, several of which were described by the police as "red."

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THE ARREST, DETENTION AND DEPORTATION OF LORD MARLEY

(*Japan Chronicle*, Aug. 23)

By what strange spasm of nervousness could the authorities in Japan have conceived that it would be a dangerous thing for Lord Marley to visit the country and do his worst? Lord Marley went through the usual

mill and entered the Royal Marine Artillery, and, after ten years' service passed into the Army Staff College at Camberley. He served with distinction in the Great War, both with the Army and the Navy. In 1920 he resigned the service in order to devote himself to Labor politics. He became Under-Secretary for War, and Lord in Waiting to the King, and Chief Governgnent Whip in the House of Lords. He is treasurer of the Union of Democratic Control, which perhaps sounds a little "dangerous," but if a man with this record cannot be tolerated in Japan, the authorities must have become extraordinarily strict. A Japanese newspaper said that he hoped to convert General Araki to pacifism. Is it for General Araki's sake that he has not been allowed to approach within four hundred miles of the capital? It would cause rather a sensation if General Araki suddenly beat his sword into a ploughshare, but if an Under-Secretary for War is not fit company for a Minister for War, Ministers must be extremely subject to pacifist infection. And although in Japan they think very little of foreign loyalty, it might be supposed that a Lord in Waiting to the King was hardly a Nihilist. In all seriousness, it is something like a national insult when a man with Lord Marley's record is treated as though he were a dangerous criminal. We may be sure that something more will be heard of it.

⁂

ANTI-WAR SENTIMENT IN JAPAN

The *United Press* in a dispatch from Tokyo published in the local *North-China Daily News* on Sunday, Aug. 27 stated that the Toyoken Restaurant at Hibiya Park Tokyo, was the scene of disturbances on the night of Aug. 25 when anti-war advocates, nationalists and the police engaged in a free-for-all fight. To discuss Japan's participation in the Anti-War Conference to be held in Shanghai in the early part of September, about eighty anti-war, anti-Nazi and anti-Fascist agitators, including K. Kato, Susumu Uyemura, Yobun Kaneko and S. Suzuki, attempted to hold a meeting at the public hall in the park. The police banned the meeting. The agitators finally met at the Toyoken Restaurant at six o'clock under the name of the Far Eastern Peace Society, promising the police that they would not touch upon the question of the Anti-War Conference. Two hours later, about fifteen persons, claiming to be members of the National Spirit Preservation Party and the State Foundation Society, forced their way into the meeting and scattered hand-bills opposing the Anti-War conference. A fight followed, involving the policemen who guarded the meeting. Three persons were arrested as the result.

⁂

Lord Marley ever since his return from Japan has been interviewing officials connected with the International Settlement, the French Concession and the Chinese Municipality of Greater Shanghai in the hopes of eventually securing permission to hold a meeting—but so far without success. Lord Marley after a talk with J. W. O. Davidson, acting British Consul General, revealed the extent of Japanese opposition to the Conference. He quoted Mr. Davids on as explaining how, in view of frequent trouble with the Japanese in Settlement administration during the Sino-Japanese war here last year, Settlement authorities had small desire to go against their wishes in regard to the conference. Lord Marley called on Mayor Wu Teh-chen Aug. 28 to ascertain the attitude of the Chinese authorities towards the proposed conference. It is understood that Mayor Wu informed Lord Marley that, while sympathetic with the object of the conference, the Chinese authorities could not permit it to be held in Chinese territory as it might give opportunity for the local Communists to start a new disturbance. Mayor Wu pointed out that Shanghai suffered enough in the last Shanghai War with Japan and could not stand Communist riots in this city.

Japan Would Block China-Manila-America Aviation Service

THE Japanese Government will invoke the Sino-Japanese Treaty of 1915, popularly known as the "Twenty-One Demands" to block an attempt by Chinese and American interests to establish a Trans-Pacific airline which would connect Shanghai with Manila, Honolulu and San Francisco. They will do this by compelling China to observe a clause in the 1915 treaty which binds China not to grant any concessions to foreign interests in the province of Fukien, which lies opposite the island of Formosa, a Japanese possession. According to a report which appeared in the information bulletin issued by the Japanese military headquarters at Tientsin on August 22, the China National Aviation Corporation, which contains a minority American interest, would not be permitted to establish any airdromes on the Fukien coast. Officials of the Sino-American aviation concern have not issued any statement regarding the Japanese declaration, but officials of the company recently investigated the ports of Amoy and Foochow as possible intermediate stations on the route between Shanghai, Canton, Hongkong and Manila. Officials of the company are now in Manila investigating landing stations in the Philippines, having successfully made the initial flight between Shanghai and Manila.

The Japanese military bulletin also added significantly that both Great Britain and France were likely to offer opposition to the Sino-American aviation project on the ground that it infringed their interests in South China. A further Japanese objection to the aviation link between the Philippines and Honolulu-San Francisco was based on the fact that it would be necessary for the American planes to fly over some of the Japanese mandated islands located between Manila and Honolulu. Ignoring denials from both Nanking and Washington the Japanese military bulletin repeated the previous allegations from Tokyo that the United States and China had entered into a secret agreement for the promotion of aviation in China. The fact that a plane belonging to the China National Aviation Corporation is now on a tour of the Philippines for the purpose of locating landing fields was offered as proof that such a secret agreement exists.

⁂

Following the completion Aug. 22 of the survey flight from Manila northward to the tip of Luzon Island, the Shanghai aviation experts who are visiting the Philippine Islands, made a flight to Iloilo. W. S. Grooch, the pilot, who brought the twin-engined Sikorsky amphibian of the China National Aviation Corporation back, made a perfect landing at Cavite on the return from the northern part of Luzon. During the flight, he and his assistants photographed possible landing places, both on water and land, along the route which is expected to be followed if plans for a regular semi-weekly air mail service from Shanghai to Manila materialise.

H. M. Bixby, representative of the Pan-American Airways, who recently made a flight from Shanghai to Manila, followed this up with flights to the northern and southern extremities of the Philippine Islands. One of the objects of these survey trips has been to ascertain the most feasible route for an eventual trans-Pacific service. Mr. Bixby, among other places, visited Zamboanga, in the southern part of the islands and it is believed that the Pan-American Airways will abandon the route via

Wake, Midway and Honolulu, for a more southerly route through the maze of small islands to be met with further south. The Guam route would have no jumps of less than 1,200 miles while more frequent stops could be made by going south. This would greatly reduce the load of gasoline required.

The Pan-American company is expected to expand its Far Eastern service very considerably. The big fifty-passenger clipper planes now being built by the Glenn Martin Co. and the Sikorsky Co. are nearing completion and some of them may be ready for tests later this year. It is stated that the Pan-American company has virtually abandoned the idea of a northern route across the Pacific by way of Alaska because of the hazardous weather conditions.

September 9 has been fixed as the date for the christening ceremony of the five contributed airplanes which have been assembled in Hangchow. The ceremony is to be held at 2 p.m. at the Hungjao Airdrome.

Marshal Chang Hsueh-liang is reported from Tokyo to have bought 200 military planes, including 100 fighting planes, 60 scouting planes and 30 bombers, in Italy.

The Ministry of War of Nanking has decided to accord better financial treatment to members of the National Air Force. The incumbent officers will all be reduced in rank but their salaries will be almost doubled.

The 19th Route Army recently purchased a number of airplanes abroad for military use. The latest batch of six pursuit planes was expected to reach Hongkong this week. They are to be sent to Amoy to be assembled.

At the same time that the Japanese Navy and War Offices are expanding their flying corps, the Tokyo Communications Ministry has decided to help in the development of civil aviation by inaugurating an Aviation Commission, which will encourage the manufacture of light airplanes for service to remote cities, the expansion of the aerial passenger and postal services, and the establishment of more aerial signs and radio stations.

Col. and Mrs. Lindbergh, who are making an aerial survey of the far northern route from Europe to America, after visiting Greenland and the Shetland Islands, flew to Coperhagen, Denmark, Aug. 26.

The largest airplane in the world, excelling in its proportions the famous German Dornier-DOX, is nearing completion in Moscow and will undergo trial flights at the beginning of next year. It is destined to become the flagship of the Maxim Gorky Squadron, for the creation of which millions of Soviet citizens have given voluntary subscriptions.

Return of T. V. Soong and Future Government Policy

TO his already potent natural abilities, T. V. Soong has now added experience and education on world affairs derived from a trip to foreign countries under particularly favorable auspices. Hence it is but natural that the Chinese people should look to him for guidance in their present complicated domestic and foreign affairs. In many respects the present crisis is the most serious which the country has faced since the National Government came into existence because China is now feeling the full effect of the battering which the nation has suffered as a result of two years of Japanese aggression. Actually China is in the position of a man who had been attacked and beaten by a gang of outlaws. China has lost much of her national domain and her power of resistance to further aggression from the same quarter has been materially weakened. China now has the choice of two lines of future activity. She can accept complete Japanese control and become a virtual colony of the neighboring Island Empire. Or she can set to work, rebuild and unify her national structure to the end that the nation may recover her lost territories and prestige and again occupy the position in international affairs to which her rich territory and industrious population entitle her.

With the exception of a few leaders whose motives we will not attempt to analyze, the vast majority of the Chinese people of high and low degree look to T. V. Soong and his associates of similar outlook to lead them out of the present morass. Very few Chinese indeed want their country to become a colony of Japan or a "sick man of Asia" nursed by an international group with Japan at the head of the table. Most intelligent Chinese resent the suggestion that their country has been permanently disabled as a result of Japanese aggression and are only awaiting the leadership of some individual whose breadth of outlook and patriotism is sufficient to assume that position. Particularly are the Chinese people disgusted with small military and political buccaneers who have had more interest in their personal positions and fortunes than in the welfare of the country as a whole. Especially has China's old military establishment been discredited both at home and abroad, because it has enriched itself at the expense of the people, but has failed to protect them in their hour of need. They have failed in spite of the fact that they have had world sentiment on their side. Therefore the time is ripe for a New Deal.

There is encouragement in the fact that the situation is generally recognized and has been voiced by the editors of leading newspapers. Thus the *Peiping Morning Post*, "Of late there has been considerable talk of an imminent orientation of the Government's foreign policy. When we speak of an orientation of policy we invariably imply that there has been a past policy which stands in need of modification. But in the case of China we never have had a policy toward Japan. The Government's policy has consisted merely in the shouting of anti-Japanese slogans. Those in charge have not understood the situation in Japan and worse they have not taken into consideration Japan's military strength in connection with the international situation. They have placed faith in slogans somewhat as ignorant persons place faith in the incantations of a priest. Then there have been other diplomats of a still lower order who have listened to the advice of a few Japanese "ronin" and have sought to meet their demands in order to obtain a temporary peace. But the more China gives, the more greedy Japan has become. This has been China's policy for the past thirty years. We have not even had a policy since the outset of the present crisis in September, 1931. Had we possessed a great statesman with a real insight into Japanese affairs and a knowledge of international diplomacy the difficulties which since have arisen might have been nipped in the bud. Public opinion in Japan was divided at the time of the Mukden outbreak and the Minseito administration then in power was anxious to localize the incident, but our leaders, blinded by ignorance of the real situation in Japan and

CHINESE DELEGATION TO THE WORLD MONETARY AND ECONOMIC CONFERENCE IN LONDON

T. V. Soong, Minister of Finance, who was chief delegate, is sitting in the center. Those sitting also include Tsi Yu-pei of the Bank of China, Shanghai, who is second from the left. Between him and Mr. Soong is Dr. W. W. Yen, now Chinese Ambassador to Moscow. Sitting on the other side of Mr. Soong is Dr. Wellington Koo; next to him is Quo Tai-chi. Standing directly back of Mr. Soong is C. Kuangson Young, former head of the Intelligence and Publicity Department of the Government at Nanking, and now Chinese Consul General at London.

faced with the threat of another civil war, at once plunged into irresponsible talk instead of trying to localize the affair. The recovery of the lost territories now probably cannot be realized in our lifetime, which is due not so much to the violence of our neighbor as to the utter helplessness of China. The prospect for compromise disappeared with the creation of the puppet state. Japan now insists upon our recognition of that puppet state as the first essential of compromise. But how can we tolerate this? There may be a small group which is disposed to recognize Manchukuo, but the majority of the nation are unalterably opposed. If we refuse to come to terms with Japan, will Japan proceed to further aggression? Assuming that Japan will resort to further violence in the north or south, the results would not likely be beneficial to Japan. We recognize the impossibility of coming to terms with Japan so long as the puppet state is in existence and it also is true that China cannot continue further resistance because of our military weakness. But we maintain we should not abandon all plans of resistance. If after the loss of the four northeastern provinces, we continue to cringe before Japan, it will be tantamount to national suicide."

Of special interest in the same connection was an editorial in the *Shanghai Morning Post*, a paper which is popularly supposed to express the views of General Chiang Kai-shek. "Mr. Soong's trip to America and Europe did much to clarify the real position of China and succeeded in dispelling whatever misunderstanding the western powers entertained toward China. His success in negotiating the American cotton and wheat loan and the signing of the silver agreement are particularly commendable. The world now regards Mr. Soong as a world statesman. The warm welcome accorded to Mr. Soong on his return to China is an indication of the deep appreciation of the people for his services to his country. Now, sad to relate, the lot of the people has become even worse because of the disastrous Yellow River floods. We welcome Mr. Soong for his work abroad, but even more so because we feel he can do something to relieve the sufferings of the people. There is a further matter of importance for Mr. Soong's attention. The diplomatic policy of a country must be fixed from the standpoint of the general interest of the nation. An independent country should fix its own foreign policy instead of depending on certain other powers. Government leaders should not form themselves into groups such as 'pro-British,' 'pro-America,' or 'pro-Japanese' factions. Such cliques weaken our stand. We must not have any prejudices in state affairs; hence in deciding our foreign policy, we must see which powers are our friends and which are our

enemies. Our policy should be fixed from this angle instead of from the standpoint of individual connections. We hope Mr. Soong will consider this matter and fix a definite policy for China, a matter which is greatly needed at the present. While in Europe Mr. Soong must have examined the administrative organizations of the various countries, in other words he must have seen how the countries are run. Both the Soviet and Facist systems require a strong central government, without which no country can expect to become strong. Government leaders in practically every country always regard the interests of their nation as a whole. Only in China do the leaders give special regard to sections. After observing constructive agencies abroad, Mr. Soong must have realized the necessity of China's having a strong central government. The practice of provinces demanding the Government shall give them particular attention should be discontinued. Many provinces are now demanding funds from the American cotton and wheat loan for their own use. Such demands should never be granted. The Government should consider the interests of the whole nation."

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SOME RECENT MANIFESTATIONS OF JAPANESE POLICY

While certain Japanese delegates at the recent Institute of Pacific Relations have been talking about modifying Japan's policy toward China and have been urging the calling of an international conference of Pacific powers to settle outstanding differences, there has been little evidence of any fundamental changes so far as Tokyo is concerned. As a matter of fact a *Reuter* report from Tokyo on August 22 quoted high officials as declaring there had been no change and that Japan was still pursuing a "watchful waiting" policy, "hoping that China will soon realize the folly of anti-Japanese agitation and move in the direction of resuming friendly relations with her neighbor." Furthermore it was forecasted that important developments would follow the forthcoming visits of two high diplomatic officials which Japan is dispatching to China, Mr. Hirota, former Ambassador to Moscow and Mr. Sugimura, former Japanese delegate at the League. Mr. Sugimura's purpose in coming to China is to combat League influence and in a recent article which he wrote for a Japanese magazine he declared there was no hope for China without Japanese-directed international control.

Of particular interest to Mr. Soong was a column-long article in the Tokyo *Asahi* quoting high Japanese military authorities as declaring their misgivings regarding Mr. Soong's financial activities abroad. There then followed a detailed report on Nanking's alleged default on various Japanese loans. In view of Mr. Soong's evident intention to use the proceeds of the American cotton and wheat loan for further anti-Japanese policy, the Japanese military authorities declared that Tokyo must "press" China for payment of all defaulted Japanese loans and in the event Nanking refuses Japan should seize all wireless, telegraphs and telephones and use their revenues for repaying Japan's obligations. This was followed by a list of Japanese loans, most of them of the "Nishihara" category, nine in all, ranging from Yen 1,000,000 to Yen 25,000,000 and totalling Yen 113,500,000 to which the Japanese military spokesman added Yen 120,000,000 more, part of which allegedly had been advanced to the War Department of the Nanking Government for arms and military clothing. The Japanese military spokesman declared that Japanese loans advanced to China and now in default amount to well over Yen 300,000,000 and Japan's failure to exact payment in the past had been due to "sympathetic consideration of the financial position of the Chinese Government."

As a result of certain recent developments in north China there recently have been reports in circulation that the Japanese have offered to lend China additional money, apparently on condition that China extend recognition to Manchukuo and abandon her plans for League cooperation. Sun Fo, head of the Legislative Yuan, in an interview in the *China Press* was quoted as denying that Japan had offered China a loan of Yen 80,000,000. In this connection Sun Fo declared, "It is problematical whether Japan has that amount of money available, and then even if Japan did have the cash, it is still a question whether she would lend it to China."

MINISTER ARIYOSHI'S VISIT WITH GEN. HUANG FU

While none of the Chinese newspapers printed anything about the visit of Japanese Minister Akira Ariyoshi with Gen. Huang Fu, chairman of the Peiping Political Council which took place at the Japanese Minister's residenced Shanghai on August 20, the Japanese newspapers published long reports on the subject. The report in the *Osaka Mainichi* on August 23 said that Gen. Huang had informed Mr. Ariyoshi regarding the main points of Chinese policy in north China which had been decided upon in the recent conferences at Kuling which had been called by Gen. Chiang Kai-shek. Gen. Huang, according to the Japanese report, also advised the Japanese minister regarding Wang Ching-wei's views on Sino-Japanese relations. The following is a summary of the essential points in the Huang Fu-Ariyoshi interview as reported by the Shanghai correspondent of the *Mainichi:* "Gen. Huang fully explained the decisions of the Kuling conference, stating a decision had been made to alter the hostile policy of the Nanking Government toward Japan and to attempt a readjustment of domestic affairs by improving the relations with Japan....Gen. Huang strongly advocated a change of policy on the part of the National Government toward Japan, declaring that the improvement of Sino-Japanese relations was most essential for the reconstruction of China and for the preservation of peace in the Far East. Gen. Huang's views had prevailed at the Kuling conference and the Nanking leaders had decided to do their utmost for the improvement in Sino-Japanese relations without touching the question of Manchukuo. Gen. Huang also explained to the Japanese Minister that T. V. Soong's activities in America and Europe were not necessarily intended to be against Japan and that China was anxious to obtain Japan's aid as well as American and European help. The Nanking Government has decided to instruct Gen. Chiang Tso-pin, Chinese Minister to return to Tokyo at once in order to open negotiations on matters con-

cerned with north China which hitherto had been entrusted to Gen. Huang."

Although not bearing directly on the Huang Fu-Ariyoshi interview, the Japanese newspapers all reported that the Nanking Foreign Office had sent instructions to the Chinese Legation in Tokyo to inform the Japanese that T. V. Soong would stop over in Tokyo for a conference on various outstanding Sino-Japanese questions. A report in the *Osaka Mainichi* from its Shanghai correspondent also stated that Nanking had instructed Mr. Soong to stop over in Japan. The *Mainichi's* correspondent went still further and declared that the National Government had "come to realize that Mr. Soong's activities in America and Europe had only served to irritate Japan without any substantial benefits; that loan negotiations in Europe had failed; that the realization of the American cotton and wheat loan was faced with serious obstacles of marketing; that the carrying out of the League's technical cooperation was well-nigh impossible....in view of the foregoing Nanking had instructed Soong to interview Japanese officialdom and there are reports in circulation that Mr. Soong in cooperation with Chang Kia-ngau, general manager of the Bank of China will pave the way for Japanese financial assistance to China in the form of loans."

In view of the well-known French sympathy for the Japanese point of view on Chinese questions, it is interesting to note that the local French paper *Le Journal de Shanghai* in the course of an editorial on the Huang-Ariyoshi interview declared that Gen. Huang had performed a delicate mission which no one else wanted: Gen. Huang had called on the Japanese Minister and had assured him that he (Huang Fu) and Wang Ching-wei were in full accord in adopting a policy of amicable rapprochement with Japan "in line with the Three People's Principles of Dr. Sun Yat-sen, the founder of China's national policy." The editorial in the local French organ stated that the official conversations which have taken place between representatives of China and Japan had caused a considerable change in the relations of the two countries; that Gen. Huang Fu, indefatigable worker for peace, had acquainted the members of the Government with the real situation in the north and had won Nanking over to his point of view. A fortnight gao, Gen. Huang was in danger of being lost because Dr. Lo Wen-kan was still in office and Dr. Lo had disapproved of the policies of the Peiping Political Council. Gen. Huang had been strongly criticised in the press for his pro-Japanese attitude. But now Dr. Lo had been sent on a delicate mission in far off Sinkiang and Gen. Huang had been able to re-establish himself with Wang Ching-wei in the Nanking Foreign Ministry. The French editorial concluded with a quotation from an interview with Minister Ariyoshi, "I consider that a sincere and loyal understanding with Japan, with at the same time an active and realistic cooperation with foreign countries, will undoubtedly have the happy effect of leading China to the goal which has been so happily defined by Wang Ching-wei." To which the French editor added, "Peace, internal as well as external, and international cooperation should constitute the sole basis, solid and serious, of the reconstruction policy preached by the Nanking Government. Otherwise, once more, as in the past, it will be building on sand."

WANG CHING-WEI'S VIEWS ON FOREIGN POLICY

Wang Ching-wei, chairman of the Executive Yuan, made no direct reference to the National Government's policy towrad Japan in a statement on foreign policy issued at Nanking on August 28. He said the country's policy was determined by the Central authorities and that it was the function of the Foreign Ministry to carry it out. He then declared that the nation must awake to a realization of its weakness and present position as a victim of aggression. However, the situation was not hopeless as other nations had passed through similar crises since the beginning of the 19th century. The idea that China could avenge her wrongs with a fleet of 3,000 airplanes was "idle talk," because while China was training an air-force to man 3,000 planes other nations would develop an air-force of 4,000 or 5,000. He then declared, "In our present weakened condition, China must work out her own salvation. To ally herself with or seek assistance from any other country is out of the question....While we are angling for the friendship of one country, we may have already come into conflict with another. China is similar to a man on a sickbed and is not allowed too much nourishment....If at this juncture the nation is given too much tonic the danger would be doubled. Our foreign policy is at one with our domestic policy. We must consolidate the strength of the people and develop their productive power."

JAPAN HOLDS WALL PASSES WHILE BANDITS TERRORIZE ZONE

Both Chinwantao and Tangshan, important cities on the Peiping-Mukden Railway between Tientsin and Shanhaikwan and within the so-called "demilitarized" zone were looted by bandits according to reports from Peiping and Tientsin. One report from Peiping on Aug. 27 stated that a force of 400 bandits had entered the outskirts of Chinwantao and entrenched themselves while demanding a large sum of money from the local Chinese chamber of commerce. Since the weak peace-preservation corps was unable to cope with the situation and Japanese interests were being menaced, the Japanese military authorities at both Shanhaikwan and Tientsin had offered to send troops to suppress the outlaws.

A *Kuomin* report from Peiping on Aug. 28 stated that Tangshan had been looted by bandits which "appeared to be acting under instigation from the outside." A *Rengo* message from Tientsin said the bandits had been smuggled into the town and had indulged in various forms of violence despite the efforts of the police to suppress them. After considerable looting in which many Japanese had suffered serious losses, the bandits finally were suppressed by the combined forces of the Chinese police and Japanese gendarmes. A dispatch from *The Review's* correspondent at Tientsin stated that the bandits also had looted two villages near Tangshan and that serious disorder prevailed throughout the area.

A report in the *Peiping Morning Post*, Aug. 24 said the bandit menace in the Luan-Tung area was constantly growing more serious; that Chang Ching-chen, magistrate of Luanchow had been surrounded by 4,000 bandits while directing the operations of a small force of special police against another force of bandits in the vicinity of Chukuochwang. The fate of the magistrate was not known. All districts to the east of Luanchow are in a chaotic situation as the bandits greatly outnumbered the police forces and the bandits were well equipped with arms and munitions. A further dispatch in the *Eastern Times* said that there are at least 20,000 bandits in the "neutral" zone between Peiping-Tientsin and the Great Wall and since the peace preservation corps allowed the Chinese does not exceed 2,000 men, the Chinese were helpless.

The Japanese military authorities announced on August 27 that the town of Hsinlung in northern Hopei, outside the Great Wall, had been incorporated into Jehol province for future Japanese military control. The

Japanese also announced that Kupeikow pass also would be regarded as Manchukuo territory and would be placed under strong Japanese military control. The Chinese magistrate at Hsinlung, Li Ying, had been ordered by the Japanese to move out. The Japanese still have a force of 200 soldiers at Miyun, located about 50 miles north of Peiping on the road to the Kupeikow pass and in addition there are some 70 Japanese soldiers at Shih-hsiachen, north of Miyun.

The Chinese magistrate at Yutien reported that he had been subjected to indignities by the troops of Gen. Shih Yu-shan who is still operating at Chinwantao. The Yutien magistrate refused to return to his post unless guaranteed protection.

Nothing further has been done with regard to the proposed negotiations with the Japanese regarding the evacuation of the various passes in the Great Wall beginning at Shanhaikwan and extending to Kupeikow to the north of Peiping. A report by Reuters from Peiping on Aug. 28 stated that the negotiations had been suspended due to Gen. Huang Fu's absence in Shanghai. Gen. Niishi, commander of the Japanese troops told the Chinese authorities in Peiping that the Japanese Kwantung army "will return the passes shortly, but for the present Japan will retain control of the passes in order to see what new policy China intends to adopt toward Japan.

The Chinese authorities have repeatedly charged that the Japanese military in control of the various passes is permitting bandits from Jehol to enter the demilitarized zone while numerous Japanese reservists have established themselves in the area and are engaged in gun running and the sale of narcotics. Since a considerable portion of the peace preservation corps in the area is made up of Manchukuo "irregulars" the Chinese magistrates have no control over them.

JAPANESE CONSUL RETURNS TO KALGAN

Japanese Consul Hashimoto, who evacuated Kalgan when Marshal Feng Yu-hsiang initiated his anti-Japanese movement, has now returned to the city according to a report in the Chinese newspapers on Aug. 28.

Gen. Tang Yu-lin, traitor Chinese commander who evacuated Jehol and permitted the Japanese to occupy the province without much resistance, has now established himself in Kuyuan, an important city located on the road between Kalgan and Dolonor. A *Reuter* report from Peiping on Aug. 26 quoted Chinese authorities as stating that Gen. Tang was now definitely allied with the Japanese in Manchukuo and had received a month's pay for his troops. However, Gen. Tang declared he wanted to remain on friendly terms with Gen. Sung Chieh-yuan and would "return" to China if his personal safety would be guaranteed. Gen. Sung referred the matter to Gen. Ho Ying-chin in Peiping who in turn wired Nanking for instructions.

Changpei, located about forty miles northwest of Kalgan and formerly the headquarters of Gen. Fang Chen-wu, chief lieutenant of Marshal Feng's anti-Japanese army, has been taken over by Gen. Sung Chieh-yuan, chairman of Chahar province. Gen. Fang, however, evacuated the city prior to Gen. Sung's arrival and according to reports from Peiping is still indefinite in his attitude toward the Government. The Chinese troops of Gen. Liu Kwei-tang, formerly under Manchukuo, but who joined Marshal Feng and assisted in the capture of Dolonor from the Japanese, have again rebelled against the Chinese authorities in Chahar and have entrenched themselves at Chihchen in the northern part of the province. Gen. Sun Liang-cheng, another former subordinate of Marshal Feng has announced his retirement. Gen. Sun declared he had done his bit for his country by helping Feng capture Dolonor, but now was determined to retire from military activities. Most of the troops under Fang Chen-wu and Chi Hung-chang, which are still uncertain about joining the Government forces and have announced their intention to continue their anti-Japanese activities have retreated northward toward the border of Outer Mongolia. These troops number about 1,000 according to a statement of Gen. Ho Ying-chin, head of the government military forces in Peiping. A report from Canton stated that interests in the south are continuing to supply funds to the anti-Japanese forces in Chahar.

A report from Peiping during the wek stated that the forces of Gen. Ho Chu-kuo, formerly Marshal Chang Hsueh-liang's commander at Shanhaikwan, are to be removed to the Peiping-Hankow railway area and in future will be stationed at Tingchow and Shihchiachuang at the junction of the Peiping-Hankow line and the railway running to Taiyuanfu, capital of Shansi. Gen. Yu Hsueh-chung, another former lieutenant of Marshal Chang Hsueh-liang, is now in Nanking following a conference with Gen. Chiang Kai-shek at Kuling.

T. V. Soong Receives Ovation on Return to China

T. V. Soong was welcomed by a large group of government officials, representatives of local public bodies, pressmen and photographers who thronged the Dollar wharf in Pootung long before the Dollar liner *President Jefferson* berthed. After exchanging greetings with his welcomers, Mr. Soong left the liner in a Customs launch where he was met by another large gathering of officials and civil leaders. Together with Mrs. Soong, the finance minister motored to his residence on Route Ghisi under heavy police protection.

Precautions were taken by the police of all three municipalities. At the Customs Jetty a large squad of Municipal police was present, around the Dollar wharf in Pootung and the jetty in Nantao, the Bureau of Public Safety and the Peace Preservation Corps were on duty; on the river, the customs river police prohibited sampans or small vessels from nearing the steamer.

Among the Government leaders who came to Shanghai to meet Mr. Soong were Admiral Chen Chao-kwan, Minister of the Navy; Tseng Chung-min, Vice-Minister of Railways; Li Shih-tseng, member of the C. E. C.; Chu Min-yi, Secretary-General of the Executive Yuan; Chu Chia-hua, Minister of Communications; and Dr. J. Heng Liu, Director of the Health Department.

General Ma Chan-shan, who is the hero of the Chinese people for resisting the Japanese in Heilungkiang with a handful of men, arrived in Shanghai from Hangchow specially to meet Mr Soong.

Tsen Chung-min, vice-minister of railways, welcomed Mr. Soong on behalf of Wang Ching-wei.

In thanking those who welcomed him upon his arrival Mr. Soong said:

"While I was abroad for the Economic Conference, and visiting America and the various countries in Europe on the invitation of their Governments, I was everywhere received with greatest cordiality and honor, as if I were not representing a country from which four provinces and thirty million people have recently been taken. I feel that the receptions were not tendered me personally, but as expressions of friendship and of the ardent hope that, after having gone through such trials, the different elements in China will at last sink their differences, and set themselves to the task of national economic reconstruction in collaboration with the outside world, so that China will secure her rightful place in the family of nations. You are giving me an unprecedented welcome on my return home. What have I done to deserve such marks of appreciation? Again I construe that the demonstrations are not for me personally, but as an expression of gratitude to the friendly nations who have honored you through honoring your representative; and what is more, to give assurance that you will not suffer their kind hopes of Chinese unity and reconstruction to be disappointed."

Among those who returned to Shanghai with Mr. Soong were Dr. Arthur Young, his American adviser; Tsuyee Pei, manager of the Bank of China; W. P. Wei, formerly secretary to the Chinese Legation in the United States; T. C. Chen, counsellor; Wong Shun-dao, secretary; and several others. Dr. Jacob Gould Schurman, former U. S. Minister to China, arrived on the same boat.

Mr. Soong was scheduled to proceed to Kiangsi end of the week to confer with General Chiang Kai-shek, in company with Dr. H. H. Kung, governor of the Central Bank of China.

The Chinese Legation informed the Tokyo Foreign Office Aug. 23 that T. V. Soong, the Chinese Minister of Finance, would not land in Japan. Mr. Soong refused to give interviews while the ship was in Japanese ports.

Rengo says the Japanese Foreign Office viewed with some apprehension the sudden cancellation of the Finance Minister's visit, of which it was officially informed by the Chinese Legation in Tokyo some time ago, and wondered whether the cancellation was made by the Chinese Government or Mr. Soong himself.

Wang Keh-min, financial director of the Peiping Political Council, will confer with T. V. Soong regarding the financial situation in North China and will ask the Government to increase its monthly allowance to troops in North China as well as the present appropriation of $5,000,000 for relief work in the districts of Hopei.

Plans for the issuance of a coal loan are under the consideration of the Ministry of Finance and the Ministry of Industry, but the question will only be decided finally after T. V. Soong's approval has been secured.

World Puts Up Customs Barriers to Stop Flood of Japanese Goods

FOR the moment, whatever internal troubles the Japanese Cabinet is experiencing, there does not seem to be any immediate prospect of a break. The fact that Count Uchida, the Foreign Minister, took a few days rest at his mountain resort at Hakone over the week end induced reports that he was about to resign, but an authoratitive Foreign Office statement declared that such rumors were absolutely untrue. Finance Minister Takahashi is still having a hard time of it, continuing his policy of opposing further taxation and favoring a continuation of borrowing. The latest move in this respect is a billion yen loan which is to be issued within the present fiscal year. The first of the series, Yen 250,000,000, will be issued in the middle of September. Regarding the rate of interest on the projected issues, the officials of the Finance Department are of the opinion that while it may be justified to fix the rate at 3.5 percent per annum in view of the prevailing conditions in the bond market, yet they feel such low rate should be avoided as much as possible if careful consideration be given to the future of the general financial situation.

Probably the greatest problem before the Japanese Empire at present is the world-wide unanimity that has been shown as regards putting up tariff barriers. It is universally claimed that the Japanese are "dumping"—that is selling goods below cost. But the Japanese contend that they are not doing so, but that their low prices are the result of the introduction of up-to-date machinery plus cheaper wages, longer hours, and also, in some cases (so it is claimed) better business management. Whatever the truth between these two points of view, the Western world is up against a new economic force in the world of no mean proportions, and if the Japanese contention is anyways near the truth, higher duties and bans against Japanese goods can only stave off the avalanche of Japanese competition temporarily. One thing seems to be certain and that is that the Western World will from now on have to live on a somewhat less extravagant scale than it has for the last few decades if it wishes to meet Japanese, and be it noted, eventually, also Chinese, competition. Little is heard of the Yellow Peril of the kind that was written about so much two decades ago, but recent events have shown that the real struggle between the East and the West will be in the economic field.

A recent message from Washington stated that action to bar from the United States products found to be dumped from abroad to the injury of American business would probably be taken by the Treasury Department. In a long list of goods awaiting the Treasury Department's decision are included canvas top, rubber sole shoes, electric bulbs, and calcium carbide from Japan. American producers charge that these have been dumped and sold in the United States without regard to the prices they bring at home. The Treasury Customs bureau, after a public hearing on the subjects submitted to it, held that the fact that some of said articles have been dumped has been established, while in other cases it had not. Competition is reported as being especially keen in rubber sole shoes and in the electric light bulb industries. Japanese producers were said to be shipping millions of pairs of shoes into the United States, underselling the American producers. Witnesses testified that Japan has completely taken over the Christmas tree bulb business. Where the U. S. Government finds that dumping exists it will apply a law which levies an additional duty of about 50 per cent.

The Government of the Zanzibar Protectorate (British) on August 12 increased import duties, effective immediately, by applying the specific tariff system in addition to the ad valorem tariff system. This tariff measure is considered by the Japanese to have close connection with the increase of import duties on cotton and rayon textiles, hosiery goods and cotton blankets by the Governments of the Kenya Colony, the Uganda Protectorate, and the Tanganyika Protectorate (all under British influence) on June 26. The purpose of these tariff revisions is the check of imports from Japan in view of the low price of Japanese goods. Detailed reports regarding the effects of the tariff revision on Japanese articles are yet unavailable. It is apparent, however, that British and French articles, whose prices are higher than Japanese goods, will be favored by the reduction of the ad valorem tariff, while Japanese goods will be affected by the application of the specific tariff on account of their low price.

Higher world tariffs generally and India's prohibitory rates are stated to have affected exports of Japanese cotton cloth very considerably during the past three months. According to the Japan Spinners' Association, Japanese cotton cloth exported during July amounted to 165,281,000 yards, valued at Yen 28,572,000, indicating declines of 14,201,000 yards and Yen 2,039,000 from the previous month. Highgrade products such as bleached and finished cloth also lost in a pronounced degree. Japanese traders in cotton cloth are stated to be pessimistic over the coming Simla conference and are shipping heavily in anticipation of its anticipated failure. They aim to have all consignments reach their destinations before October 10, when the Indo-Japanese trade convention expires.

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The campaign against "dangerous thoughts" still continues. With a view to putting an end to the publication of communistic or "dangerous" writings, and to effect stricter control of all publications, the Department of Home Affairs has drafted a plan to revise existing publication and newspaper regulations. The draft was recently submitted to the Thought Guidance Commission for examination. The proposed revision will force very strict control of all publications. Among the points proposed in the draft made by the Home Department is the authorization of prefectural governors to prohibit publication and distribution of illegal and "dangerous" publications, and also to confiscate them. Ordinary publications and those of allegedly dangerous thoughts will be severely punished. In respect to newspapers and magazines recognized to be used as means for propagating "dangerous" thoughts, a new system

of ordering the suspension of their publication for a certain fixed period will be adopted.

In this connection an interesting interlude occurred in the recent hearing of the navy officers connected with the May 15 case at the Yokosuka Naval Court martial, when Lieutenant Hayashi declared that the educational policy of Japan today has been producing only rice-eating mechanical dolls, straw dolls dressed in silk, or toy-balloon-like persons who have no fundamental strength, and such were the persons who were guiding Japan today. Lieut. Hayashi emphasized his point of view by saying, "Once I heard a story of seven monkeys. Six of them had crooked noses, and only one had a normal nose. The one with the normal one thought it was deformed and that the others were normal. In the community today, nearly all are bad. Wise and good men are regarded as outcasts. I realized that this condition should not be left to continue and that the Japanese people themselves must save the country. I firmly believed that we must give a great shock to the people in order to restore the country to its normal, propercondition."

The Japanese Army and Navy Departments have let up somewhat of late in their campaign to frighten the taxpayers into believing that the country was in danger of foreign attack—this being mainly due to the fact that these two departments have been promised practically all the money they have been clamoring for. As part of this propaganda, Japanese newspapers carried reports that the United States had arranged for secret military and naval bases in Mexico and in Fukien Province, China, and was planning to equip China as a great air power.

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A review of the Japanese fleet took place off Yokohama Aug. 25 following the completion of the naval maneuvers. The Emperor, on board the warship *Hiyei*, inspected 161 warships with a total tonnage of 848,000 tons drawn up in seven lines. 180 aircraft of all types, flew overhead. The fleet was spread out for the review over an area six miles long and two and a half miles wide.

In the course of the recent special naval maneuvers five were killed, six more or less seriously wounded and an airplane was lost.

Japanese ship-yards in Tokyo, have received orders from Brazil for the construction of 30 warships, spread over a period of ten years, according to a semi-official report published in the Japanese capital August 25. Difficulties are in the way of signing the necessary contracts, however, because Brazil insists on payment of one half of the price—200,000,000 yen—in coffee.

Recent telegrams from Tokyo indicate that there is slight possibility of an early realization of a national merger of steel and iron industry of the country, as the various companies have become more optimistic regarding their future in anticipation of prosperous business due to inflationist policy.

The Osaka Textile Industrialists' Association has decided to continue the reduced output at the present percentage for the period of three months from October 1 until the end of the year.

The *Osaka Asahi* reports that three large banks in Osaka, namely, the Sanjushi, Yamaguchi and Konoike, have decided to amalgamate. The merger will form Japan's second largest bank, with a capital of 112,000,000 yen. The new bank will start business on December 1 under the name of Sanwa Bank. Aggregate deposits in the three banks at the end of June were 993,000,000 yen.

A census of Greater Tokyo shows that the population has increased during the past year by 77,395, and the number of families by 20,817. The population of the metropolis is given as 5,837,319, and the number of families as 3,046,654.

The Japanese Foreign Office is shortly launching a Trade Advisory Council to deliberate and eventually to formulate policies regarding questions of Japan's international trade in view of their close bearing upon the country's diplomacy.

A trade parley between Japanese businessmen interested in the textile industry and Netherlands merchants interested in the Netherlands East India trade somewhat similar to the Anglo-Japanese "unoffcial trade parley" is being proposed by a group of Netherlands merchants resident in Japan.

The Tokyo Foreign Office August 25 chose 40 persons to be members of the Trade Council, a newly-established advisory organisation which is charged with the task of investigating and reporting on various problems including the revision of existing commercial treaties and measures for balancing outgoing and incoming trade.

Japanese rayon exports during July to the Kwantung Leased Territory, India, the Central American, Germany, Australia and other countries, broke all previous records, the total exports beingvalued at Yen, 120,000.

The Japanese government which possesses about yen 26,000,000 worth of gold bullion purchased from gold mining interests, has decided to ship about yen 10,000,000 worth of gold bullion to Paris or London.

Premier Saito completed his round of visits to party leaders regarding the reconstruction of his Cabinet on a truly national basis Aug. 28 when he had half an hour's conversation with Kenzo Adachi, President of the National League.

The police authorities of Lisbon, Portugal, recently announced that they are engaged in a search for secret diplomatic documents lost by Japanese Minister Akio Kasama while he was travelling. The lost documents are official communications sent to Minister Kasama by Foreign Minister Uchida.

Twenty-four students of the Chiba Medical College were recently released by the judicial authorities. They were under examination for some time on a charge of communistic activity. The remained under arrest.

A. H. Buchman, an American residing in Tokyo for the last three months, has been ordered by the authorities of the Metropolitan Police Board to leave the country on account of his communistic proclivities, the Japanese Press reports. Since his arrival early in June, Mr. Buchman has been engaged in the investigation of the leftist movement of the country, in co-operation with a Japanese comrade. He is said to have told the police of his intention of entering Soviet Russia after attending the Anti-War Conference at Shanghai. He is described as an engineer.

The ban on the Communist case in Nagoya which begun two and-a-half years ago has just been removed. According to the official statement, over 100 men were arrested, but eventually only seven were indicted. The missing leader of this communist group is Koichiro Nakatani, who has his permanent domicile in Maikata-mura, Kitakawachi-gun, Osaka prefecture. He was caught in the raid, but escaped during the police examination, jumping from an upstairs room in the prefectural police headquarters under cover of night.

The Simpson Affair---Japan Exiles British Editor

(Comment by Manchester Guardian, July 25)

The Japanese censorship in Manchuria is efficient and complete. The outrage on a well-known British resident in Harbin, E. Lenox Simpson, had been accomplished, and he was in Dairen, an exile, before any definite news of the affair appeared in the British press. In the debate on the Foreign Office Vote on July 5 Sir. John Simon said that "No one, not even any member of the Opposition," had put a single question on this subject. How could any member in any part of the House question a Minister on a matter of which he had no knowledge? When press reference was made to the affair it was brief and in the most general terms, suggesting that the Government of Manchuria the local police administration had solid grounds for their action.

On May 9 the Manchukuo representative again called on the British Consul General and informed him that it had been decided to close down the paper, that Lenox Simpson would be given eight days to leave Manchukuo, and that if he did not go voluntarily, he would be forcibly deported. That information was given to all the papers in Harbin. The same evening some ten Russian police in mufti, accompanied by three Manchurians in uniform, took possession of the "Herald" office, sealed the doors of the offices and printing works, and left police in charge. On being challenged they admitted they were acting under verbal orders.

Is Yunnan Going the Same Road as Manchuria?

BY WILBUR BURTON

THE province of Yunnan has always been isolated from the rest of China. Today, politically as well as economically, it is virtually a part of French Indo-China.

Recently the impression has gained ground in certain Chinese circles that actual annexation of Yunnan by France was imminent. I have found no evidence to confirm this view; whether or not France ever forthrightly occupies the province depends, I think, upon many factors, some of which are beyond the control of the Quai d'Orsay,—including the situation in Tibet,—that I shall discuss in some detail in my concluding article. But regardless of whether France ever decides to raise the tricolor over the crumbling walls of Yunnanfu, she has a strangle-hold on the province that is growing more unbreakable each year, and which, as I shall show subsequently, makes her imperialistic influence in China far more potent than most observers probably suspect. And that France is by no means content with her existing Oriental empire is clearly indicated by her seizure of the Coral Islands while I was investigating the situation in Yunnan.

(Editor's Note: For the past two years there have been many rumors of increased French activity in Yunnan Province. Many Chinese fear the province is destined soon or late to go the way of Manchuria. Few facts, however, have been available to confirm or to deny these rumors and fears, for—unlike the Japanese—French activities in Yunnan, as in Indo-China, have not been so well advertised. The Review sent Wilbur Burton, a well known American journalist in the Orient who has been spending the past few months in South China, to Indo-China and Yunnan to ascertain the facts of the situation. Mr. Burton has returned to south China where he is writing his report,—which will be the first comprehensive survey of French enterprise in Yunnan that has ever been published. Mr. Burton is already well known to readers of The Review for his book reviews and his recent articles on Canton, Hongkong and Macao. Mr. Burton first came to China during the Nationalist revolutionary period of 1925-26-27, serving for a time on a Shanghai newspaper and later with news services, Peking and Shanghai. In 1927 he returned to the United States, where he was on the staff of the Associated Press for almost four years. In 1931 he again came to the Orient via Europe and Soviet Russia, arriving in Mukden a few days after the Japanese occupation. Coming to Shanghai he became news editor of the China Press, which position he held until last spring. Since his return to China in 1931 he has been special correspondent for the Baltimore Sun. He has also contributed several articles on the Far East to Current History, Asia, and other American magazines.

The following is the first of a series of articles by Mr. Burton on the present situation and prospects for the future in Indo-China and Yunnan.)

The French grip on Yunnan is possible through one of the most amazing combinations of simplicity and duplicity that can be found in the modern world. The only practical way to enter Yunnan is by the French railway that runs from Haiphong to Yunnanfu *via* Hanoi and Laokay in Tonkin, French Indo-China. This railway *could* be a strictly commercial enterprise without any political significance; in French hands it is a far more powerful instrument of imperialism than the Japanese South Manchuria Railway ever was.

For, practically speaking, no person and no thing can enter Yunnan Province without French permission,—and without paying whatever toll may be demanded by the French authorities in Hanoi.

Consequently, not only the trade of the province is inevitably dominated by the French, but any Yunnan government is at the mercy of Paris,—for arms can be obtained only from French sources and the French are always in a position to outfit any rival of the government they wish.

In the course of these articles I shall present many specific examples of these facts in practice; at the moment I shall only cite that a formal permit of the French Consul in Yunnanfu is required to import not only arms and munitions into Yunnan, but anything that could conceivably be used to manufacture munitions. Thus the English hospital in Yunnanfu has to get a permit to obtain acids that are used for healing the sick, but which might be employed in making explosives! And, since shipment must he made through Tonkin first, the Chinese Customs cannot give their permission for the imports until the French Consul acts. Nor is the hospital entrusted with any blanket permit; each shipment requires a special O.K.

Of course, it is possible to get into Yunnan without going through Tonkin. It is also possible to go to the North Pole. The two things are not quite in the same class, but it requires 23 days by caravan to go to Yunnanfu from Nanning, Kwangsi, which is connected with Canton by the West River, while it requires less than a week by boat and train to travel from Canton to Yunnanfu *via* Haiphong. And caravan travel is highly expensive. It is also possible to reach Yunnanfu from Chungking by about a week aboard a small boat on the Yangtsze River to Suifu and thence by caravan that requires 21 days to the Yunnan capital.

What this latter route means in practice is admirably illustrated by a radio receiving set I saw in the office of Siemens, the great German firm, in Yunnanfu. First it must be explained that the French will not allow any radios (except for their own official use) to be imported through Tonkin into Yunnan. The explanation is that radios are war material. (One exception must be noted; the Chinese government was allowed to erect its commercial radio station in Yunnanfu without interference, but perhaps under certain secret conditions.)

But to continue with the Siemens set; a customer desired a radio, and a permit from Nanking for its importation was obtained. That meant nothing, however, to the French officials. So the radio set was shipped by the Yangtsze to Suifu *via* Chungking and thence by caravan to Yunnanfu. The set cost $400 in Shanghai, but in Yunnanfu it cost $800 due to the freight charges! Had it been shipped *via* Haiphong (in which case it would have been obtained from the Hongkong office of Siemens) the transportation charges, including the probable Tonkin transit tax (of which more anon), would most likely not have been more than $100 in Shanghai currency.

Further, the shipment *via* Chungking and Suifu required six months. Here, however, there was no appreciable difference than if it been shipped *via* Haiphong, for German goods invariably require about six months to reach Yunnanfu from Haiphong. British and American goods take a little less time, while French goods travel *tout de suite*,—which means in this case only about a week or ten days. In a later article I shall deal with this phase of the situation in greater detail, for it is a major factor in the French economic domination of Yunnan.

The French economic domination of the province is shown by the fact that American trade is less than 20 per cent of the total, British trade about 15 per cent, and other non-French foreign trade (chiefly German and some Japanese that comes in under Chinese auspices) amounts to but 5 per cent. All the rest of the trade—more than 60 per cent—is in French hands. The total trade of the province, however, is not large since the bulk of

the Chinese and aboriginal residents are even poorer than in most other areas of China. The *average* annual income of a family of five in Yunnan is estimated at about Shanghai $400 and the annual purchasing power per *capita* for foreign imports is not more than Shanghai $1.20. In 1930, according to American consular reports, the value of the whole foreign trade of the province was approximately U.S.$20,556,194, while in 1932 it was only U.S.$4,582,921. (These figures are roughly on the basis of 34 American cents to one customs tael, the tael being used by the customs up to the end of last year.)

Still further evidence of the French economic position is presented by the fact that there is only one non-French foreign business man in the province excepting a few Greeks who operate under French auspices. The one non-French foreign business man is the German agent of Siemens who, however, has half his salary paid by the Yao Lung Electric Light Company, of which he is the technical advisor. Otherwise he would not be there. (The illuminating history of this company will be told in a later article.)

There are, of course, a few non-French foreign business firms operating. The Standard Oil Company of New York holds forth with a Chinese manager. There is also an agency of the Texas Oil Company with a Chinese manager. There is a branch of the British-American Tobacco Company, also with a Chinese manager. The Asiatic Petroleum Company branch is French incorporated as the Franco-Asiatique Petroleum Company —which means that France derives a profit from its operations. A little road-building in the province is encouraging motor sales, but the only non-French company which is planning to enter the field is Ford,—the French incorporated Ford Company, however, which will mean that France will exact a toll from its sales. There are now about 70 motor vehicles in the province, some of which are American, but most of which are French.

The Principal French Firms

The principal 100 per cent French firms are the all-powerful Compagnie Francaise des Chemins de Fer de l'Indochine et du Yunnan (which operates the railway from Haiphong to Yunnanfu), Descours et Caboud (which deals in metals and machinery), and Subira and Optorg (which are import and export firms). Except for the tin company, there are no large Chinese firms, although there are many small firms such as the electric light and telephone companies. Prior to the Japanese invasion of Manchuria, there was a fair amount of Japanese business, including two Japanese stores. These stores were destroyed by students shortly after the Japanese seizure of Mukden and all except one of the Japanese residents of Yunnan—about 20, including the Japanese consul—left the province. The one exception was the Japanese wife of a Greek hotel-keeper. None of the Japanese have returned and about the only Japanese goods now entering Yunnan are imported as Chinese goods.

What French control of the door to Yunnan means in entry of a person into the province may be adequately indicated by my own experiences which, I presume, are typical although I may have been given a litttle extra attention because of my profession as revealed by my passport. First there were two forms to fill out in Hongkong just for a transit visa which was limited to less than a month. This included giving all the information ordinarily required for a passport, with such additional touches as references not only in Hongkong, but in Indo-China. Then, upon arrival in Haiphong there was another form to fill out that required repetition of all the information given on the forms in Hongkong with such additions as "names, Christian names, age and birth-place and state in case of decease" of my father and mother, whether I was "bachelor, married or widower," "civil state of wife," if any, and many blanks upon which to state "all strange countries where you have been." Having duly filled in this form, the police took my passport and required a personal call for its return. It should be added that it was all very polite, and I was cheerfully given lots of information on hotels, prices, and addresses of various institutions.

Upon reaching Laokay to enter Yunnan, the police took possession of my passport for another hour, but brought it back without a personal call. Later when I left Yunnanfu, I had to obtain another transit visa for Tonkin, which required filling out two more forms, and then at Laokay and Haiphong the police again took possession of my passport for an hour or so at each place. The system of course, has its advantages; on my return through Laokay I made a policeman take me to an out-of-the-way, but inexpensive, hotel of which I had heard, before I would surrender my passport. That is my idea of real "service de la surete!" But it is hard on one's passport; five pages of mine were used up by visas and police stamping in going through Tonkin. Further, the contrast between all this red tape and the informality of France proper is very sharp. One can obtain a transit visa good for a month in France without even a personal appearance at a French consulate, and no questions whatsoever are asked,—and the visa is inspected and stamped but once in France.

However, filling out forms and surrendering one's passport to the police are not necessarily all that is in store for the visitor to Indo-China. A few hours before sailing from Haiphong to Hongkong I was visited by an English-speaking intelligence office of the Haiphong police who, after offering me a drink at the hotel bar, wanted to know what newspaper I represented.

"We have to be inquisitive," he apologized as he carefully wrote down the information I gave him. "What was the purpose of your trip?"

"Transit through Indo-China to Yunnan and back," I replied, assuming, of course, that his inquisition was only to learn my reason for being in French territory.

"But what was the purpose of your trip to Yunnan " he continued.

There was one very obvious and appropriate reply to that question, but since I was *still* in French territory I did not make it.

"I like the climate there," I said instead. "It was a great relief after Hongkong."

"Yes," he replied, "the climate there is fine. Do you expect to write anything about your trip?"

"It is possible I may write something."

"Journalists usually do," he observed in conclusion, apparently more in sorrow than in anger.

Although the French make entry into Yunnan quite complicated, I was not able to find any instance where anyone, foreign or Chinese, had been refused a transit visa across Tonkin. I was told that there had been cases some years ago of Chinese being refused such visas, but I could not obtain any actual records. But the power to refuse such a visa is in French hands whenever they care to use it, and if it is not now being employed it is the only unused weapon in the French armory to dominate Yunnan.

Yunnan at the Mercy of the French

How the Yunnan government is at the mercy of the French was clearly shown by a revolt in 1931 against the present governor, Lung Yun,—although there is no evidence whatsoever available that the French had anything to do with the revolt. But we can draw appropriate conclusions from the facts. The revolt was led by Lu Han, then and now the No. 2 of the provincial government and a cousin of Governor Lung, in alliance with Chang Feng-chuen. Lung was out of the capital when the revolt took place, and upon his return he soon regained power,—but meanwhile Chang Wei-han had been permanently kicked out of his post as commissioner of foreign affairs. Now Chang Wei-han was outspokenly anti-French; it was he who had described the Ching-Yu Railway agreement for a French railway through Kwangtung, Kwangsi, Kweichow, Yunnan and Szechwan (of which more anon) as "the French instrumentality to annex China." He had urged that the national government abrogate this agreement. In other ways he had also opposed French penetration. And the revolt lasted just long enough to kick him out of office. Further, Lu Han is still in the government. Still further, the French—ostensibly on purely humane grounds—kept General Lung from executing Chang Feng-chuen although he is still in jail in Yunnanfu and therefore a poor life insurance risk.

Did or did not the French have anything to do with this revolt? To be sure, its significant consequence might have been purely fortuitous,—but such an assumption would be rather naive.

Many more examples of imperialistic politics can and will be set forth in the due course of these articles, but before proceeding further it is important to sketch the more pronounced physical and economic aspects of Yunnan, and also to trace the course of French conquest northward from Saigon to the Yunnan border since Indo-China is the base from which Paris has spread, and is spreading, its tentacles around a large part of China proper.

Yunnan covers an area of approximately 146,714 square miles in the southwestern-most part of China

proper between latitude 21 and 29 degrees and longitude 98 and 106 degrees. The altitude ranges from about 250 feet at the Tonkin border to 22,000 feet with the passes in some places being 10,000 feet high. Yunnanfu is 6,400 feet above sea level, and hence has a very salubrious climate despite the fact that it is almost as far south as Canton. Much of Yunnan is on the same great Himalayan plateau as Tibet, and outside of the railway zone it is about as backward as Tibet.

The poverty of the natives has already been outlined. Agriculture is the principal occupation with opium poppies, rice, beans, wheat and corn as the chief crops. The population is about 11,000,000, or 75 to the square mile, with approximately two-thirds of the people Chinese while the rest are divided among numerous aboriginal tribes. Tin is the only extensively developed mineral, although coal and salt are of importance. There are, however, many other minerals which will be discussed subsequently, but it is doubtful if the province is as potentially wealthy as some Chinese writers have claimed.

Yunnanfu, the capital and principal city, is in the Yangtsze watershed and has a population of about 150,000. The city is only 534 miles by railway from Haiphong, but almost four days are required to traverse the route. Most of the non-missionary foreign population of the province live in Yunnanfu. There are only about 500 foreign residents in Yunnan, the bulk of whom are French. There are, however, upwards of 100 Americans, all of whom excepting the consular staff of three and Dr. Joseph F. Rock, the famous naturalist and explorer, are in missionary work. And Dr. Rock is soon departing, probably permanently.

A Mandarin Dialect Is Spoken

A Mandarin dialect is spoken by the Chinese of the province and Yunnanfu is somewhat reminiscent of Peiping, even including the pigeons that make music when they fly in consequence of small whistles fastened to their tails. The Yunnanfu wall is a minor edition of Peiping's wall, but more decayed and part of it is entirely torn away. What is left, however, is well worth a trip around the top.

The province is rich in varied plant life that ranges from the tropical along the Tonkin and Burma borders to the alpine arctic on the gigantic peaks toward the borders of Tibet and Szechwan. There are vast, virginal forests of pine, spruce, hemlock and fir; the province has the only appreciable forests in all China excepting Szechwan and southwestern Kansu. The hemlock is the largest tree, ranging up to 200 feet in height and eight to ten feet in diameter.

Dr. Rock, who has explored most of the province for the National Geographic Society of the United States, the United States department of agriculture and Harvard University, has sent 25,000 different kinds of Yunnan plants to the United States in the last ten years. Some of them have been of considerable commercial importance, notably a blight-resisting chestnut which is now being grown in America to provide railway sleepers and bark for tanning. Dr. Rock also conducted one expedition that resulted in finding the *hydnocarpus authelmintica*, from which it is hoped to obtain cheaper and better chaulmoogra oil for treating leprosy than was previously available. The tree that produces quinine will grow in Yunnan, and some Chinese are now trying to develop a forest of them.

The terrain of the province offers the possibility of considerable hydroelectric development, assuming, of course, that development in other lines would ever make this profitable. Today there is virtually no manufacturing beyond the handicraft stage, no modern transportation facilities except the French railway that ends at Yunnanfu and a small Chinese branch that runs to the tin mines near Mengtsz in the southern part of the province not far from the Tonkin border, and no industry of any importance except tin mining.

While, as has been stated, the mineral wealth of Yunnan has perhaps been exaggerated, it is apparent from the brief description here given that the province is not without considerable economic temptation to imperialistic exploiters. Politically, it is perhaps even more tempting. Stretching from British Burma and French Indo-China to Szechwan, from which it is (except for a small area) separated by the upper reaches of the Yangtsze River, and with Kweichow and Kwangsi on one side and Tibet on the other, Yunnan is in a very strategic location. If it were provided with modern means of transportation it could exercise a tremendous amount of influence in both South China and the Yangtsze Valley as well as provide a convenient gateway to Tibet and Burma. Thus Great Britain, although she has never made any attempt to exploit Yunnan, is as much interested in its future as is France.

(The second of Mr. Burton's articles will appear shortly in *The Review*. It will deal with the course of the French Oriental empire northward from Saigon through Tonkin to the Yunnan border, and will contain many hitherto unpublished facts about conditions in Indo-China).

Communist Suppression Program to Be Expanded

The necessity for expansion and improvement of the Communist suppression program and the training of China's young military officers in conformity with the new national defence plan were emphasized by General Chang Chih-chung, of the Central Military Academy, who returned to Nanking Aug. 19 after a month's stay with General Chiang Kai-shek at Kuling.

Urgent orders were issued last week to all the communist suppression forces in southern Kiangsi by General Chiang Kai-shek, instructing that severe punishment must be meted out to those found lenient hereafter in fighting the Reds. Many cases of outside communications with the besieged Red resorts are stated to have taken place.

The Communists, under Ho Lung, which have been active in Western Hupeh, are now making an attempt to penetrate into Szechuen from the east. They are reported to have already captured Chungpao, a town about ten miles from Chienkiang, near the Szechuen-Hupeh border.

Martial law is being rigidly enforced at Swatow owing to the increased Communist threat in that vicinity. All incoming and outgoing mails and telegrams are subjected to censorship.

The Central Political Council has authorized the appropriation of $1,800,000 for immediate needs and $15,000,000 for fundamental purposes in connection with the bandit-suppression campaign in the provinces of Honan, Hupeh, Anhwei and Kiangsi.

In view of the threatening Communist situation on the Fukien-Kwangtung border, General Chen Chi-tang has decided (according to a Canton message to the *China Times*) to devote his attention to military affairs, withdrawing from politics, at least temporarily.

The Communists in Northern Szechuen captured Yilung, and the troops under Generals Tien Sung-yao and Li Wei defending that city were put to flight, end of last week. Yilung is an important city south of Pachung 300 miles west of Wanhsien.

Air Bombs Used on Communist Camps

Communist fortifications at An Yuan (Kiangsi) were shattered last week by a bombing raid of the Cantonese air forces.

Eleven bombers divided into three squadrons flew from Ta Yu to An-Yuan and Chun San Wei on which about fifty bombs were dropped. In view of the strong fortifications behind the Communist lines, the military fliers carried powerful bombs to break down the enemy's forts.

Reinforced by the bombing planes, the fourth Kwangtung division under Lieutenant General Chang Mei-hsin and the 44th Kwangsi division under Lieutenant General Wang Chen-pin are launching attacks on An Yuan and Chun San Wei, which are no longer protected by their fortifications. Aerial bombing on the Red lines has greatly shaken the morale of the Communist forces. Lacking fighting machines and anti-aircraft guns, the Communists are helpless in the face of aerial raids, it is stated. To preserve their strength, "General" Peng Teh-huai has ordered the shortening of defense lines.

At the request of the farmers in districts inside the Communist area in Kiangsi General Chiang Kai-shek has ordered full military protection to be given to them when gathering the harvest to prevent possible surprise attacks by the Reds, who are keen on securing food supplies.

General Chen Chi-tang, of Canton, has announced his determination to remove the Communist menace on the Kwangtung-Fukien border once and for all by mobilizing all his airplanes and the best of his troops in the campaign against the Red forces. He has issued an order for a general advance on the Communist stronghold in the border districts and plans to join forces with the 19th Route Army in Fukien within two weeks. Four aviation fields have been established at Kanchow,

Lungyen, Meihsien and Tayu to permit the airplanes to carry out frequent bombing raids on the Communists.

General Chen Chi-tang, commander-in-chief of the 1st Group Army, has appropriated $100,000 for the rehabilitation of Tsunsanwei, in South Kiangsi, following the evacuation of that city by the Communist troops who had been holding it.

Foreign despatches from Foochow report that communist forces are entering south-west Fukien as well as the north-west. They recently captured Wangtai, 15 miles from Yenping, which is 100 miles up river from Foochow.

The military situation in Western Fukien continues to be serious in spite of the advance of the 19th Route Army. Troops from Fukien and Canton are gathering in this area to prevent a possible attack on Swatow.

United States authorities have advised all Americans in the affected area around Yenping to withdraw to the coast in view of communists' entry into north-west Fukien.

Part of Gen. Liu Wen-huei's Troops Disarmed

About five divisions of General Liu Wen-huei's troops were disarmed by the Allied forces after the crossing of the Min River latter part of last week.

General Liu Hsiang reports from Szechuen that most of General Liu Wen-huei's troops have been disarmed, others have been incorporated into other armies. General Liu Hsiang said that General Liu Wen-huei has now only 20,000 men at most under his command.

A recent *Kuo Min* message from Hankow stated that the campaign against the 24th Army under General Liu Wen-hui, launched by the Allied Szechuen forces under General Liu Hsiang, will be liquidated shortly. The units of the 24th Army have now retreated to Tienchuan, in the extreme west of Szechuen, near the Szechuen-Hsikang border.

General Liu Wen-huei, accompanied by two thousand bodyguards, has left the front for Sikang. General Hsiang Yu-jen, a subordinate officer under General Liu, has formally informed the Allied Army that General Liu Wen-huei has decided to retire into Sikang with 20,000 men to strengthen the defence of that province and to hand over the command of the troops which remain to General Liu Hsiang.

Nothing has been heard of the eight American Catholic missionaries imprisoned in Yuanchow since August 11. The town has been in a state of seige for two months. The American authorities at Hankow have requested General Ho Chien, the chairman of Hunan province, to get the Americans evacuated from Yuanchow.

General Chiang Kai-shek has offered a big reward on the heads of the Communist leaders in Central China. The price will be paid immediately upon the surrender of these persons dead or alive. They are: Chu Teh and Mao Cheh-tung: $100,000; Red Army Commanders $80,000. Red divisional commanders and executive members: $30,000 each.

General Tsai Ting-kai, commanding the 19th route Army, has sent a high staff officer to Canton to consult with the local military authorities on the next move on Communist suppression.

Reported End of Szechuen Civil War

A Hankow message to the *Sin Wen Pao* says that with the withdrawal of General Liu Wen-huei's forces from Szechuen, the civil war in that province has come to a definite end. One of General Liu Wen-huei's divisional commanders were captured by the Allied forces and executed. General Liu Hsiang was scheduled to call a peace conference at Chengtu on September 1 to discuss the re-distribution of garrison areas in the province

California Merchants Favor Quota System for Asiatics

The Tokyo Foreign Office Aug. 17 received a message from the Japanese Consulate General in San Francisco, stating that the California Chamber of Commerce has expressed its approval of the introduction of the quota-system immigration law to the next session of the Congress, and adopted a resolution to support the revision of the existing immigration law restricting the entry of Orientals to the United States of America. On the other hand a newspaper published in Sacramento, the capital of the State of California, organ papers of the Labor Union and the Hearst newspapers in California are strongly opposed to the revision of the present discriminating law.

Japanese Publish Text of Protest Against French Occupation

The Japanese Foreign Office last week published the full text of Japan's protest lodged with the Quai d'Orsay on August 19 against the French notification of the occupation of Spratly and five other coral islands in the South China Sea. It described how the Japanese explored the island on several occasions and stressed the fact that the Rasa Phosphate Company, Ltd., a Japanese concern developed there permanent installations as early as 1918 for gathering guano and phosphate ores.

The Nanhai County Kuomintang and the Waiyang County Kuomintang have sent out circular telegrams addressed to the National Government urging it "to use every available means to reassert Chinese sovereignty" over the coral islands occupied by France. A memoir of Vice Admiral Lee Chun, former commandant of the Kwangtung navy during the Ching dynasty is also cited as proof that the islands belong to China.

Governor-General Murphy referred to Washington, without comment, the claim of former Senator Isabelo de Los Reyes that the nine islands in the China Sea recently claimed by France are the property of the Philippines.

According to rumors current in Nanking the Japanese Government is now making preparations to occupy eight small islands in the vicinity of the coral islands which the French Government recently occupied in the South China Sea.

Following upon popular discontent due to an increase in local taxes, disorders are reported to have broken out in the French Islands of St.Pierre and Miquelon, off the east coast of North America.

Japanese and British Delegates on Way to India

The Japanese delegation to the forthcoming Indo-Japanese trade conference sailed from Yokohama in the N. Y. K. liner *Hakusan Maru* for Simla, where it is due on September 18. The delegation includes S. Sawada, minister plenipotentiary without portfolio, and S. Terao, director of the trade bureau of the Ministry of Commerce.

As the result of the decision of the Japanese cotton industrialists not to purchase Indian raw cotton, the N. Y. K. India service, which used to place six regular and two extra steamers on the Bombay line, has considerably curtailed its service.

The British Cotton and Artificial Silk Mission to India to engage in the coming tripartite discussions with representatives of textile industries of India and Japan, departed from London Aug. 25. Sir William Clare Lees is at the head of the delegation.

Another blow was struck at the Indian National Congress Lahore, Aug. 21 by the arrest of its acting president, Sardar Sardul Singh Caveeshar. He was taken into custody while picketing shops selling foreign cloth.

According to a report from Tokyo, Aug. 24, the Government of the Netherlands East Indies has decided to raise its customs tariff on and after October 1. Duties on luxury goods will be raised from twelve per cent up.

Six Thousand B. A. T. Workers at Pootung Go on Strike

The workers of the Pootung factory of B.A.T. declared a general strike Aug. 25 in protest against the summary dismissal of several workers. A lengthy manifesto setting forth the reasons for the strike accuses the Company on nine points, the main ones being the suppression of the labor movement, and the illegitimate dismissal of workers.

The "go slow" movement, which affects upward of 6,000 men and women, is in every sense of the word a general strike. The workers continue to call at the factories but instead of doing their regular work they stand idle and so do the machines. One worker said that they would continue to be idle and continue to come to the factories unless they are locked out or the employers accept their demands to mend the situation.

One of the causes of the strike was a dispute as to whether a certain worker had the right to eat his breakfast during working hours. When the worker insisted that he had such a right the management dismissed him.

O. K. Yui, Secretary General of the Municipality of Greater Shanghai, is mediating in the dispute.

Cantonese Quarreling Among Themselves, Oppose Nanking

A spokesman of the Central Party Headquarters in an interview at Nanking Aug. 23 stated that the convocation of the fifth National Congress was based on the Constitution of the Kuomintang and the decision to convoke the Congress was passed in a perfectly legal manner by the Central Executive Committee of the Party; as the date for the convocation of the Congress has been formally announced it would be ridiculous for the Party to call it off.

The *Central Press* says opposition against the Kuomintang Fifth National Congress was voiced not only in the Southwest but by the overseas Chinese affiliated association and military officers of the Northeast, who are now renewing their campaign against the Japanese.

A sharp divergence of views has arisen between politicians and military commanders in Canton over the question of the Fifth National Congress and other political issues, says a Hongkong report to the *Sin Wen Pao*. Chen Yung, after consulting Hu Han-min, telegraphed to all important Party leaders in Canton to proceed to Hongkong.

The *China Times* reports that, being greatly dissatisfied with the indifferent attitnde of General Chen Chi-tang, the Party leaders in the South-west are gradually leaving Canton for Hongkong. Teng Cheh-ju is said to intend to make his permanent residence in Hongkong.

A state of uncertainty now prevails in Canton following the sharp split between General Chen Chi-tang and the Party leaders in the South-west. Tang Shao-yi arrived in Canton from Chungshan Aug. 26 to make an effort to effect a compromise between the Party leaders and General Chen.

Hsiao Fo-chen, a member of the South-west Political Council and a strong advocate of the establishment of an independent government in Canton, proceeded from Canton to Hongkong end of last week to confer with Hu Han-min.

Delegate of General Han Fu-chu, Chairman of the Shantung Provincial Government, is at present in Hongkong conferring with the leaders of the South-west, among them Liu Lu-yin, a member of the South-west Political Council.

At last reports many members of the Southwest Political Council were still in Hongkong, unwilling to return to Canton in view of the uncompromising attitude of General Chen Chi-tang. Chou Lu, a prominent member of the Council, has expressed his intention to stay in Hongkong permanently. In a recent statement he said the coming Kuomintang Fifth National Congress is but a personal meeting of General Chiang Kai-shek who desires the Congress to approve his submission and concessions to Japanese aggression.

The Cantonese Government has appointed General Wang Teh-lin "Commander-in-Chief of the North-Eastern Volunteer Forces." After Generals Ma Chan-shan and Su Ping-wen, General Wang Teh-lin was one of the more prominent Volunteer leaders operating against the Japanese and Manchukuo forces in the new State last year. After sustaining several severe defeats, he was compelled to retire, finding a refuge in the Maritime Province of Siberia, whence he returned to China via Europe a few months ago.

Admiral Kaing Hsi-yuan August 28 formally assumed the post of commander of the Canton squadron which was formed recently with the runaway warships from the North.

The question of the upkeep of the Third Naval Squadron, formerly the North-eastern Naval Squadron, was discussed at the regular meeting of the Peiping Branch Military Council at Peiping, Aug. 23. Admiral Shen reported that formerly the monthly expenses of the squadron amounted to $210,000. This had been reduced to $180,000 since the defection of the three warships including the *Haichi* to Canton about a month ago.

In co-operation with Canton, silk producers and merchants, the Canton Government is making determined efforts to arrest the continued decline of Kwangtung's silk industry. A proposal has been submitted by the Silk Bureau to the Kwangtung Provincial Government to appeal to the Sino-British Boxer Indemnity Board for a loan of $2,000,000. The money is to be devoted entirely to enterprises in connecton with the silk industry revival.

A silk improvement bureau was formed at Canton August 25 as part ofthe new five-year plan to revive the silk industry in South China.

It is understood that General Huang Shao-hsiung, Minister for Home Affairs, will shortly be appointed Chairman of the Honan Provincial Government and General Liu Shih, the present incumbent of the Honan post, will become Chairman in Kiangsi.

General Yu Hsueh-chung, chairman of the Hopei provincial government, arrived in Nanking, August 25, from Kuling, where he had several interviews with General Chiang Kai-shek.

The Governor General of Formosa has invited the Japanese consuls at Amoy, Foochow, Canton, and Hongkong to a conference to be held for three days in Taihoku, commencing September 21, to exchange views in regard to the situation in South China.

Dr. Lo Wen-kan Departs by Air for Sinkiang

Dr. Lo Wen-kan, Minister of Justice, departed for Sinkiang by air Aug. 25. He will investigate the possibilities of developing the north-west with convict labor. The staff of the Ministry of Foreign Affairs at Nanking gave a tea party Aug. 24 in honor of Dr. Lo and Wang Ching-wei, chairman of the Executive Yuan, who will officiate at the Foreign Office during the Minister's absence. The Government has decided to send General Li Tu to Sinkiang to reorganize his troops there. General Li will be appointed Land Reclamation Commissioner, it is stated. A large gathering of high officials, including Wang Ching-wei, who will act as Foreign Minister during Dr. Lo's absence, were present to bid Dr. Lo farewell from Nanking.

Dr. Lo was delayed at Sianfu by unfavorable weather conditions. At Sianfu Dr. Lo inspected the higher district courts and prisons. He will proceed by air to Tihua to confer with General Liu Wen-lung, chairman of the Sinkiang Provincial Government and General Shen Shih-tsai, frontier defence commissioner there. He intends later to proceed to Tachen and Ili and may arrange a meeting with Dr. W. W. Yen, Chinese Ambassador for Soviet Russia.

The *Yi Shih Pao*, (Tientsin) comments:—"There are those who see in Dr. Lo's present appointment a change in the Government's foreign policy. In the eyes of the Japanese, Dr. Lo is identified with the pro-American and pro-British party of T. V. Soong and for this reason many interpret Dr. Lo's departure from the Foreign Office as a victory for the pro-Japanese section of the Government."

In connection with the troubles in Sinkiang, it is of interest to note that there is also a revolt in the North-west frontier of India, which adjoins Sinkiang. There is a dispute between the Upper Mohmands and the Lower Mohmands. The British have sent aid to the Lower Mohmands, who were stated to be fearing an attack from the religiously-inflamed Upper Mohmands. The dispute is incidental to the fixing of the frontier between India and Afghanistan. The Mohmand country lies immediately north of the Kabul river. Here the actual frontier between India and Afghanistan has never been delimited as elsewhere, and there exists what is known as the "presumptive line." The Mohmand group of tribes and clans live partly in Afghan territory, partly in British, and they "flop" from one side to the other according to the exigencies of the moment.

In order to foster closer contact with the border regions the Mongolian and Tibetan Affairs Committee has decided to erect radio stations at Kangting (Tatsienlu), eastern Hsikang, and Likiang, northern Yunnan. The Ministry of Communications has been requested to attend to the installation work.

American Newspapers Slow to Register

According to information from the Ministry of Interior, published by the *Sin Wen Pao*, most of the foreign papers and periodicals in China have been registered at the Ministry according to the regulations except a few American publications in the Shanghai Settlement which claimed that they should be registered according to American law. The Ministry declared that the papers in question have been warned through the Ministry for Foreign Affairs that if they decline to carry out the required procedure they will be barred from the post office. The Ministry, however, did no give the names of the papers in question.

Japan and China Major Topics Discussed at Banff

The plenary session of the Institute of Pacific Relations Aug. 24 centred on the proposals of the Japanese delegates for a conference of the Powers concerned with problems in the Pacific, which would deal with trade, peace and migration. It was proposed that Great Britain, Canada, the United States, Australia, China, Russia, France and Japan should attend the conference, but no decision was reached.

The Chinese delegates emphatically refused to consider the Japanese delegates' peace proposals until Japan had withdrawn from Manchuria.

Secret unofficial negotiations, between Japanese, Chinese, Canadian, and American delegates took place at Banff Aug. 23. The principal topic discussed was the Oriental exclusion law. Before the doors were closed, a Japanese spokesmen said that the Americans and Canadians would be asked to use their influence at Washington and Ottawa to give both China and Japan immigration quotas and do away with exclusion which has been responsible for much of the confusion and misunderstanding between the East and West.

Discussion of the Anglo-Japanese trade war was precipitated by Prof. J. T. Shotwell, of Columbia University, New York, when he offered a proposal that all nations throughout the world should devise lower tariffs for products made under superior labor conditions, thereby enforcing a compensatory penalty against employers of sweated or convict labor. Japanese spokesmen voiced vigorous opposition to this suggestion and said that conditions of employment in industry vary with each country. They denied that the existence of a lower standard of living or a poorer scale of wages for labor constituted unfair competition. Prof. Shotwell's plan, the Japanese delegates said, would precipitate conflicts more grave than those which it was designed to ameliorate. As an example, the Japanese cited the Anglo-Japanese textile dispute, which, they said, had been aggravated by British tariff retaliation,

In the course of discussions on surplus population Professor Uyeda, of Tokyo said, that the Japanese had "an oriental birth-rate with an occidental death-rate," so the growth of population was almost limitless. Professor Takahashi claimed that the present birth-rate would not be maintained, partly because of industrialization and partly because education would invariably lead to birth control.

Prof. T. E. Gregory, the London University economist, stated that there was a grave possibility of war following efforts to combat Japanese industrial expansion. He said he believed armed conflict would be unavoidable unless an outlet is granted Japanese products.

Newton D. Baker, after having been appointed as general chairman of the Institute, characterized it as a vital force for maintaining peace in the Far East because it represented World opinion. "The Institute is one of the great bulwarks against misunderstanding and no nation can long persist in policies that conflict with organized public opinion," he said.

The conference as a whole was disappointing in many ways because many important subjects were not placed on the agenda for general discussion. Strained relations between China and Japan cast a shadow on the proceedings and efforts had to be made to prevent too-spirited debates.

Changes in China's Diplomatic and Consular Services

The following Chinese consular appointments are notified from Nanking:—Huang Cheng, 3rd Secretary of the Chinese Legation at Paris, to be Consul at Medan; Wang Ching-lun, Vice-Consul at the Consulate-General in Chicago, to be Vice-Consul at Galveston; Wang Kung-hsing, consul eleve, to be Vice-Consul at the Consulate-General in Chicago.

Hsiung Chung-chih and Huang Yun-su have been appointed ministers Plenipotentiary and Envoys Extraordinary to Brazil and Mexico respectively.

Huang Yun-su, newly appointed Chinese Minister to Mexico, departed from Shanghai for his new post during the week.

What the Loss of Manchukuo's Revenue Means to China

Commenting on the loss of revenue from ports in Manchukuo the Statistical Secretary of the Chinese Maritime Customs, writing in Volume 1 of the "Trade of China" for 1932, says the control of trade at the Manchurian ports has been temporarily lost to China through the establishment in the Three Eastern Provinces of the so-called State of "Manchukuo." Long before the official closure of the various Custom Houses the collection of duties had been interfered with, and revenue already deposited in the banks had either been immobilized or seized; while data for the compilation of statistics of trade could not be obtained after June 1932. In the few months of 1932 during which these offices were able to function, duties amounting only to 11.6 million taels, plus 0.9 million taels of flood relief surtax, were levied. On the basis of the 1931 collection, however, the Manchurian trade was worth 26.2 million Haikwan taels to the National Government in Customs revenue alone. While this sum was little more than 10 per cent of the whole Customs revenue for that year, it should be noted that the export duties collected in Manchuria and included in the sum in question accounted for no less than 30 per cent of the export revenue for the whole of China. The large proportion of export duty derived from the Manchurian ports, is, of course, closely connected with the fact, that the value of the export trade of these ports was 35.4 per cent of the whole foreign export trade of China for 1931, and no less than 42.6 per cent of that trade for the first six months of the year under review. The magnitude of the Manchurian share of China's export trade with foreign countries is very strikingly exhibited by these percentage figures. Seeing that Manchurian exports to the value of 127.5 million taels have been credited to the 1932 account, the full effect of the loss to China will not be seen in the balance of trade for this first year of the secession of these provinces, but the great importance of the loss cannot well be overemphasized.

What the Platt Amendment Provides for Cuba

In connection with recent messages from Havana which indicated that the Cuban people were anxious to have the so-called Platt Amendment annulled and that the United States may be agreeable to such a move it may be recalled that the independence of Cuba was granted in the first place by the United States on condition that the Platt Amendment, which was adopted by Congress, March 2, 1901, be accepted. This amendment provides that the Cuban Republic shall never enter into any compact with a foreign power that would impair her independence; that she will contract no excessive debt; that the acts of the United States in Cuba during and after the war be validated; that the Cuban Government shall carry out certain plans for the sanitation of the island; that certain land necessary for coaling or naval stations be leased to the United States, and "that the Cuban Government consents that the United States may exercise the right to intervene for the preservation of Cuban independence and to maintain a Government capable of protecting life, property and individual liberty and for discharging the obligations with respect to Cuba imposed by the treaty of peace on the United States, now to be assumed and undertaken by the Government of Cuba." This was made, on June 12, 1901, a part of the Cuban Constitution.

The new Cuban Cabinet under Dr. Cespedes has decided to dissolve Congress and to return to the Constitution of 1901. All State officers elected under the 1928 constitutional reforms are being deprived of their posts.

General Machado, the exiled ex-President of Cuba, is proceeding to Canada.

China's Trade Shows Unfavorable Balance

China's trade during July resulted in an unfavorable balance to the amount of $20,703,152 with total exports at $29,314,202 and imports at $50,017,354, according to a bulletin issued by the Finance Office at Nanking Aug. 22. During the first seven months of this year China exported $186,248,460 worth of goods and imported goods to the value of $475,827,066 resulting in an import excess over exports at $289,578,606, according to the bulletin. With the arrival of cotton and wheat from America in September as the result of China's loan from America, the import excess over export of this year is expected to be over $500,000,000.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold **pleasure of sight-seeing.**

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

Dr. Sugimura Will Oppose League Activities in China

The Japanese Government is sending Dr. Yotaro Sugimura, former Tokyo representative at the League of Nations, to China for the purpose of opposing the activities of the League in China. Dr. Sugimura is scheduled to arrive in China during September and will spend several weeks in this country. Tokyo announced that Dr. Sugimura was making the trip on his own accord, but reports in the Japanese newspapers indicate that his trip has official significance as he plans to interview high officials of the Nanking Government as well as civilian leaders and businessmen at the various ports. The following paragraphs, sent to The Review by its Tokyo correspondent are extracts from various articles dealing with Japan's foreign policy which were written by Dr. Sugimura and published in leading Japanese magazines.

UPON his return home Dr. Sugimura, ex-Vice-Chief of the League Secretariat, broke his long silence and has been continuously expressing his views on international situations. Among the publications through which he expressed himself are the July 1 and August 1 number of the *Diamond*, August number of the *Yuben* and August number of *Hinode*. The fact that these popular magazines vie with one another in securing the Doctor's consent to write for them, indicates how the public's curiosity is stimulated by the philosophy of the newly returned secretary of the League. Most of these writings by Dr. Yotaro Sugimura were compiled and published by the Central Review Publishing Company early in August in book form, entitled "Records on International Diplomacy." From this new publication several chapters on current topics are selected and summarized here along with the writings appearing in two popular magazines.

It is Not a Time for Argument But for Action

(Yuben, August number)

International relations do not follow a fixed orbit but are subject to ceaseless change. No real peace can be sought in fixed, unchangeable international relations. Social justice declares, "Give position to one who is really worthy of it; only those who work hard shall receive reward; no reward shall be given to those who are idle; and no squeezing shall be allowed under any circumstances." International justice, in its fundamental principle, quite agrees with social justice.

It declares "Aged great nations should retire from their international positions in favor of younger nations, and proper reward should be given to new arrivals." In the event of the nations unnaturally trying to tie up the international relations by holding fast to man-made reasoning and under the beautiful slogan of the peace of the World, there is more possibility of the outbreak of war than when otherwise is the case.

With the decision at the general meeting of the League on February 24 as a turning point, the time of argument has gone; the time for practical action, in so far as Sino-Japanese questions are concerned, has arrived. It is now time to put everything into practice in order to see right from wrong. It is not time for us to be concerned about little things, but it is now high time for our 90,000,000 compatriots to unite themselves into one body and advance in defiance of any hardships.

To be frank, I regret to have to confess that Japan, due to internal dissension, has for the past 10 years inevitably invited the abuse of "inconsistency of speech and action" and lowered her international dignity. In fact, the effect which it has brought upon her foreign policy is almost unfathomable. Nothing is more detrimantal to the international relations of a country than the entangled situation of its home affairs. This is why we should close our eyes to meagre differences of opinions and unite into a big whole.

My brief experience shows that success is reached more often through abiding by commonsense and goodwill than through sticking to one straight scheme or simple plan. To employ the former method is more constructive than to rely upon the latter tactics.

Generally speaking, persons pure in sentiment are simple at heart and our nation's pure patriotic sentiment is unrivalled in the world. I declare, "The nation must by all means stand up on the pedestal of this common gift of patriotic spirit peculiar to itself, and in it do constructive service to the country." Again I may call out, "Don't echo another's views. Try to realize that the situation at present is too serious to be tackled with reckless chiming in or impulse of resentment. It is not time for us to sacrifice the national destiny to fickle discussions."

Japan's Position in International Relations

(Hinode, August number)

I admit that Japan could not but withdraw from the League upon the recommendation unfavorable to the country having been passed in the general assembly by 42 to 1. The decisive step taken by our country can be said to have ushered in the time of isolation for her, at least from the theoretical view-point. This is because the United States acted generally in unison with the League while there was a gap between the views held by Japan and by the League. But in reality it is not so simple an affair. If we fail to abide by the Imperial Rescript promulgated on March 27, I believe there is little possibility of the State's being isolated in her international relations. The rescript states that since the independence and development of Manchukuo is a factor absolutely indispensable for the maintenance of peace in the Far East, Japan cannot show any concession in the affair, but in other fields of her foreign policy it shall be the basic principle of the nation to follow the unbiased path of justice, leading to co-existence, coprosperity and international cooperation. By this rescript the traditional foreign policy of the country has been brought into broad day-light, dashing away the dark clouds which temporarily screened the actual character of the country from the world's view. Today, none can misunderstand the attitude of Japan, I am confident. In future we only have to exert our ceaseless efforts toward promoting the welfare of the country in accordance with the spirit of the rescript, and if it is done we shall be able to contribute much to the peace and progress of the world, not to mention preventing the country from becoming internationally isolated.

As regards the position of our country in the eyes of the people in Europe, it is quite a difficult question, for there is qualitative dissimilarity between Europe and Orient as to customs, manners, culture and language. But judging from the result of the rough investigation into the "national strength" of all nations conducted in connection with the allocation of the expense of the League of Nations, it may be said that Japan comes under Britain, France and Germany, but above Italy.

During my sojourn in Europe I felt that, while Japan treads the path of ascent, Europe and America are going downhill. Indeed, the contrast of the two is striking. By way of an instance I may mention the fact that my 30 classmates at the University of Lyons all died in the Great War, except one who is crippled. In this way nearly all the able young men were lost in the war. The unemployment situation in Europe is much worse than in Japan. What, if Japan had 3 million jobless? The national strength would be greatly weakened, socially as well as economically. Next comes the question of inflation. Reckless inflation would upset the social structure. In the eyes of the European nations, the present economic difficulties in the United States will persist for some time to come in view of the relations between production and consumption. Japan is, as it were, having a foot race with those who have their sides out of order.

While in Europe I found myself unable to tackle successfully the dispute between European nations. Even their national characters I could not well define.

Sino-Japanese Incident Is the Creation of Force of Circumstances

(From the "Records on International Diplomacy")

Japan's parting with the League of Nations can be said to have been predestined. At the time of the Paris Peace Conference Japan took a hesitant attitude before she arrived at a decision to join the League of Nations. Japan could have prevented herself from being made the butt of world misunderstading, if she had made concrete reservations on Manchuria instead of abstract ones, as

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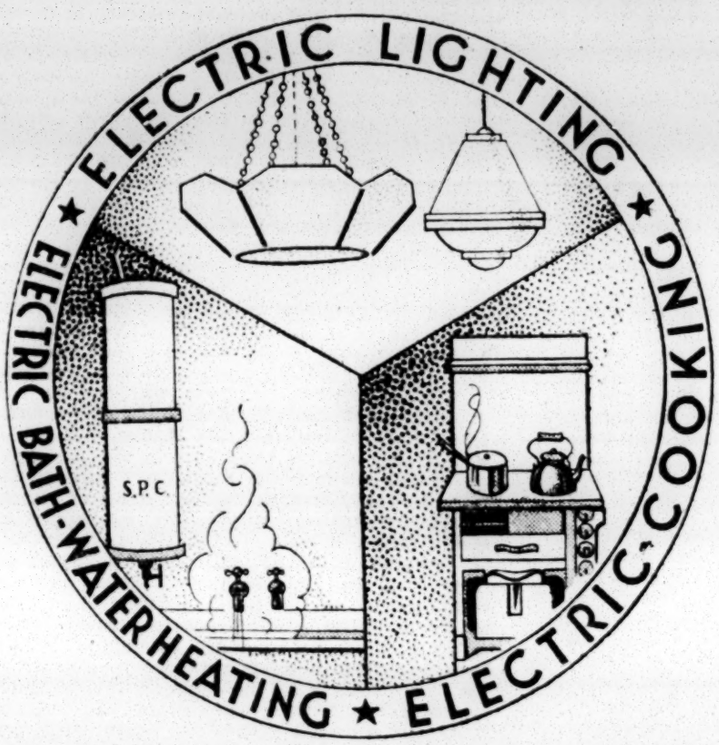

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was resorted to by Britain and the United States at the conclusion of the Anti-War Pact. This and other similar factors combine to indicate that the cause of the withdrawal is to be traced far backward.

From the standpoint of the League the Sino-Japanese incident was first regarded as a purely local happening and then as due to military activities. Later, despite the League's success in putting restraint on Japan by the "1—13" case in October, 1931, the battle line in Manchuria was further extended. And this was construed as a reactionary movement against the League's oppression. However, as the actual situation that led up to the outbreak of the incident was gradually brought to light, enlightened men in Europe and America began to awake to the fact that the Sino-Japanese incident is nothing but the creation of a great force arising out of the circumstances.

According to this view, the independence of Manchukuo should never be considered as the result of Japan's military movement. It is only when there reigns an atmosphere in favor of independence that the movement for independence can be effectively staged; Japan did nothing more or less than assisting the development of the great force. Japan's bitter experience in the past led her to believe that what would guarantee eternal peace in the Far East would be no other than the independence of Manchuria and it is this very conception that prompted her to extend as much sympathetic assistance as possible to the new State. However capable and strong our army might be, it could not have accomplished so great an achievement merely from without. There must have been deeply-rooted basic causes. Without the knowledge of causes traceable to social, economic and political situations in Japan, to the helplessly tangled Sino-Japanese relations and consequent outburst of national sentiment, and to the Nipponese spirit, which was enraged at the world's lack of understanding, no truth of the affair could be grasped, no throughgoing solution hoped for, and no peace in the Far East could be effectively discussed. I dare say, "Events are greater than man."

The Sino-Japanese incident is a force. Force is power and power has even mystic charm. Not merely the destiny of Nippon but the future of the Far East depends upon how well Japan leads the force. Western leaders who have been awakened to this view of the affair are still small in number, and, moreover, it is but very recently that they have become awakened to this view of the case. For quite a long time Japan's undisguised motive was hidden from the eyes of the world due partly to the lack of ability on the part of the responsible authorities and far more to the internal discord. As a result, there appeared those who condemn Nippon as a nation "lacking in international faith." This is a cry which requires our sincere reflection.

What is most regrettable in connection with the Sino-Japanese incident is the fact that it has greatly reduced the international credit the country enjoyed. When the world comes to think that the strong Japanese army makes a reckless advance following up the advantage, the spiritual value of the Nippon army cannot but fluctuate. The Powers, under the untold pressure of economic depression, could do nothing to check the insistence of Japan, but all their misunderstandings and antipathy materialized into the unfortunate decision at the League conference. While the withdrawal is undoubtedly an important question, the maintenance of

international credit is no less important. Both the Government and people are duty bound to exert their utmost efforts toward re-establishing the spiritual position that has been destroyed in the eyes of the world.

One of the essential factors in conducting our diplomatic policy is to make clear the insistence of the country; reckless change of schedule is tantamount to non-schedule. The national policy in the "extraordinary time" must be brief and to the point.

T. V. Soong's Secret Maneuvers and the League's Assistance to China

(From the "Records on International Diplomacy")

At the time Japan directed its military force upon Tsinan the Kuomin Government appealed to the League to no purpose, because the Kuomin Government had not been formally recognized by the Powers. Since 1930, however, upon the creation of the Commission of Technical Advisers to China, the situations began to make a gradual change. Later, there appeared in League circles those who attempted to offer technical assistance to China through responsible Nanking officials. The Western nations' wishes to monopolize the giving of aid to China by excluding Japan became increasingly manifest. This caused Ambassador Yoshizawa to entertain apprehension. That the pro-Chinese group of the League circles induced China to fall back upon Article 11 of the Covenant evidently proves the League's willingness to show what it could do for her. Such a chance offered by the League has often been freely utilized by Chinese politicians, but none has so wisely made use of it as T. V. Soong, Finance Minister of the Kuomin Government.

Mr. Soong, who attended the London Economic Conference, seems to have reaped some good result from his busy calls on political leaders in Europe and America. At his interviews with them he must have appealed in this way, "Trusting in the sincerity of the League of Nations China presented to it the Sino-Japanese issue, relying on the influence of Britain, America, France and others. The result is that she has completely lost Manchuria and there is no prospect of either of the Powers extending substantial aid to her. China has had to fall back upon a boycott of Japanese goods as the last resort. But it will end in letting the whole market of China Proper be monopolized by Britain, France and the United States. While China has thus lost everything and gained nothing, the Powers obtained a chance for securing vast markets in China and that with little or no effort. She now plans the import of air-planes, but if the Powers refuse lending assistance to this new attempt of hers she can no more look to the Powers for any support." How the Powers will tackle the case I do not know, but it is presumed that, by showing the utmost sympathy toward his appeal, the Powers (Britain, France and the United States) tried hard to maintain their political right to a voice in Chinese affairs, which is a fruit of their years of effort. It is not unthinkable that they may consider China loan negotiations within the scope of their financial and economic capabilities. Also, it is no wonder that such a pro-Chinese element in League circles as Dr. Rajchmann, who is eager to help China through the channel of T. V. Soong and who urged her to pass the Sino-Japanese dispute into the hands of the League, should be engrossed in saving the face of the League of Nations. Surely, the League will find every means to aid China, notwithstanding its being financially embarrassed. Since this technical assistance by the League has from the very start an anti-Japanese inclination, it is apparent that it will become a source of China's resistance to Japan after her withdrawal from the League, despite the League's assurance to see that the attempt is confined strictly to the technical domain. It is also feared that, since the League's aid is to be given to the Nanking Government with Gen. Chiang Kai-shek as its centre, northern and southern leaders will not be pleased, and possibly there will arise voices of discontent within the country. Under the circumstances no aid can be effectually given unless the country is placed under international management.

Nanking Women Make War on Concubines

The Women's Association in Nanking is now agitating for the insertion of a new article in the revised Criminal Code of China making the taking of concubines a criminal offence. The Association has already issued a circular telegram to all Women's Associations throughout the country asking them to present similar demands to the Legislative Yuan so as to "safeguard the future happiness of their families."

Britain and Japan Become Rivals

BY TYLER DENNETT

(Professor of International Relations, Princeton University in Current History for August)

Japan and Great Britain a generation ago were what may be described as "natural friends," if one is willing to adopt the convenient and sound though somewhat "cannibalistic philosophy" of nationalism. In those days the two nations had common interests in their desire to keep open the trade doors in China, in their opposition to Russia and in a similar co-operative policy in the Pacific. Today the situation is quite changed. Japan and Great Britain are now clearly "natural enemies"; they are engaged in no common effort anywhere, and, over a very considerable portion of the earth, they are relentless competitors. They compete for the carrying of trade, for naval supremacy in the Far East and, most of all, for many markets where a generation ago Great Britain had to fear only Germany.

Japan's most dependable outlet for manufactured goods is not in America, where silk is a luxury and subject to fickle fashions, but in Asia and Africa, where cheap cotton garments are all one style and the alternative to wearing them is nakedness. Here Japan and Great Britain have come to grips with results that make it not difficult to plot the curve of Anglo-Japanese relations for the next generation. A trade war has been developing not merely in Manchuria and China, where Great Britain is powerless to influence the results, but in Malaya, in East Africa and in India, where British industrial interests still can influence the tariff. Already London has informed Tokyo that at the expiration of six months the most-favored-nation clause shall not apply in British West African colonies, while the government of India has imposed an additional duty on Japanese imports, from 75 to 87 per cent on cottons. Now comes the government of the British Federated Malay States with new duties on low-grade products ranging from 30 to 80 per cent. Thus the lines are closing in on Japan which is almost certain to adopt retaliatory measures. The last catastrophe desired by the Japanese Government just now is a tariff war with Great Britain, but to Japan cotton exports are a matter of life and death. Tokyo has asked for a trade conference at Simla, but the impatient Japanese cotton spinners propose a boycott on Indian raw cotton. It is hardly to be expected that the Japanese Foreign Office, having so long urged that the anti-Japanese boycott in China is a violation of the Sino-Japanese commercial treaty, will extend its public blessing to the proposed cotton boycott, but on June 9 it was reported in Tokyo that the government "does not intend to interfere," which is precisely what the Nanking Government did not do in China.

"The Menace of Japanese Competition" is the title of a report recently issued by the Federation of British Industries in London. It is estimated that another 15,000,000, or 20,000,000 is likely to be added to Japan's population in the next twenty or thirty years, and only a fraction of this increase can be fed from Japanese domestic resources. "It is inevitable that Japanese competition must become increasingly intense," the report says, adding that a reckless national sales policy was deliberately instituted when the yen depreciated, with disastrous results on British and other markets, where tariffs were useless to stem the flood of goods produced under "Japan's primitive labor conditions of long hours and low wages."

Sir W. H. Davidson, a member of the British Conservative party, which has been traditionally friendly to Japan, declared in the House of Commons on June 1 that in Malaya, which previously was a British market, Japanese print goods, sold at 4 cents per yard, are able to supply 75 per cent of the demand. The average female operative's wage in Japan is now, because of the currency depreciation, about 18 cents a day. The rate paid in Great Britain is from eight to ten times as much.

Equally disturbing to Anglo-Japanese relations is the Japanese demand at Geneva for naval parity. Parity in the Far East and South Pacific means not parity at all but a Japanese naval supremacy which would cast its long shadow westward across the Indian Ocean as well. Japan has a colonial empire to defend and trade arteries to protect. They lie, in part, in what were only a few years ago unquestioned British trade preserves. Now Japan has as much reason for seeking to maintain and extend her position as Great Britain had when she fought the second Afghan war or when she fortified Zanzibar, or, more recently, when she laid out the Singapore naval base. Let us, therefore, keep in mind the fact that today Japan and Great Britain, so recently effusive partners in the famous Anglo-Japanese alliances, are no longer "natural friends"; today they are "natural enemies."

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Three Research Conferences Hold Meetings in North China

Three research conferences on widely divergent subjects were held at three different cities in North China during the week.

The China Economic Society held its 10th annual meeting in the Shantung University at Tsingtao with more than sixty members in attendance. In his opening address, Dr. Ma Yin-chu (the president) said that Tsingtao had been chosen for the present annual gathering in view of its growing importance as a commercial port. Liang Sou-ming read a paper dealing with the country's economic ills and proposed, as a solution, the national control of all economic schemes and programs.

Chou Tso-min, well-known banker in Peiping and Tientsin, presented a paper on "The Relation between the Development of Real Estate in North China and the Monetary Situation."

At Tsinan, the second annual meeting of the China Civic Education Society was opened with 80 members attending. Representatives from the Provincial Educational Department of Shantung, Shensi, Fukien, Anhwei and Kiangsu were also present. Miss Yu Ching-tang, who presided, advocated that civic education should begin with the rural districts, the development of which would help towards national self-determination.

The China Mathematical and Science Society held its annual meeting in the Peiping Normal University. Messrs. Feng Chu-shun and Chang Yi-hui were elected respectively Chairman and Vice-Chairman

Fire Leads to Discovery of Narcotic Plant

Caught by a fire which broke out in a private house in Wanglo Road near the Japanese barracks at Hongkew Park, on the night of August 24, a Japanese leaped to the ground from an upper story, as a result of which he received such injuries that he later died.

Several explosions were heard during the fire and police investigation showed that the place has been used for the manufacture of contraband drugs.

A large quantity of chemicals including 50 bottles of chloroform, ether, gasoline, alcohol, acids, ammonia, lime and filtering paper were found on the premises. A Japanese named Nagasawa has been arrested. The *China Press* says the house, the front door of which opened on a settlement road and the back door leads to Chinese territory, is believed to have been chosen especially for a place to manufacture the drug, as the "dual control" would avoid attention of both the Chinese and Settlement police authorities, and would offer better means of exit if a raid were made by either police.

American Co. S. V. C. Is Highly Efficient

An appreciative history of the American Co., S.V.C. appeared in the *North China Daily News* August 27, contributed by "Sutherlander." The Company was formally established on January 5, 1906, and though there are still some charter members in Shanghai—Major Sauer and Tommy Suffert, at least—there are no originals still wearing uniform. With a working fund of $2,300 on which to start, the American Company soon fitted itself out with everything that would make for efficiency and, through the good offices of Capt. Sargent, of the U. S. S. *Baltimore*, the members were allowed the services of Lieut. Reddles and two Marine non-commissioned officers as instructors. Thus they made such rapid headway that by March 8 an additional officer seemed justified. Accordingly, F. J. Raven was commissioned a Lieutenant, whilst Dr. Ransom was raised to the rank of Captain. Mr. Sauer, who had worked up to sergeant's stripes, was the next to get a commission and when Capt. Ransom (subsequently promoted to Major) joined the Staff for a time, he was given his captaincy and command of the Company, which he held from 1911-16. He resigned on going on leave, but rejoined as a private when he returned and in a few weeks became Lieut. Sauer once more. After him came Lieuts. R. C. Morton, A. H. Brown, W. H. Tenney and E. K. Howe. Then A. H. Swan, as a Lieutenant, had command of the Company in 1916-18.

The highly efficient American Company of today is commanded by Capt. G. M. Neal, a veteran member who has served it well from Private upwards.

Anti-Piracy Measures

BY PAUL K. WHANG (汪仲芳)

TO the sea-faring men, the sea route along the South China Coast has been considered as the most dangerous passage not so much because of its tricky waters as because of its ubiquitous pirates. The irregularity of the Fukien and Kwangtung Coast provides many small bays, to which the sea-going vessels are not accessible. These small bays, because of their being more or less in a state of seclusion, have been utilized by the pirates as good lairs, the most notorious of which is Bias Bay. For decades, atrocities perpetrated by the pirates of this famous rendezvous have been related on the front pages of the world press, and books of fiction featured with tales of romance, mystery and heroism have been published to add fame to this otheréise obscure inlet of the China Sea.

The frequent occurrence of piracy in the pirate infested districts has been a cause of worry to the shipowners who have plied their ships along the China Coast. Hardly has one month passed by without the tragic news of some one ship being looted and some of its passengers being kidnapped for ransoms. During the last eight months, more than ten piratical cases have happened in the seas bordering the provinces of Kiangsu, Chekiang, Fukien and Kwangtung.

This piratical situation has caused such an alarm to the travelling public, that, in guarding their safety, wealthy people, instead of travelling on coast vessels, have travelled on the "President" or "Empress" Liners, in spite of the fact that the passage fare on the big ocean Liners is more than double of that of coast vessels. It goes without saying that this deflection of passenger traffic has deprived the shipping companies which have operated ships from Shanghai to Southern ports of large revenue.

Piracies Well Planned

Generally all piratical cases occurring along the China Coast have been well planned. After carefully selecting a ship to be looted, the pirates, in the guise of passengers, boarded the ship usually with the assistance of some of its crew and teaboys, who had previously given out the information relating to its movement and the value of cargoes to be transported. In the dead of the night when the ship was out on the high seas, the pirates would divide themselves into two groups: One group would rush to the bridge and wireless room to take control of the ship by coercing the Captain to pursue the course leading to their lair and preventing the wireless operators to send out any S.O.S. signals; while another group would ransack all the cabins and cargo holds and relieve the passengers and officers of anything of value. As the ship came approaching their lair, they would force it to stop, and at a signal summon the awaiting fishing smacks to the ship. With their booty and in many cases a few passengers or officers for ransoms, they beat their retreat on small fishing smacks as calmly as they had first boarded the ill-fated ship.

In order to cope with this menace, the shipping companies have left no stones unturned to devise ways and means of prevention. The installation of wireless and strong iron partitions separating the bridge, engine-room and wireless room from the passengers' compartments on the ships has been first recommended; but with the connivance of some of its crew and teaboys, the pirates can easily get into the fortified areas and force the Captain and wireless operator to do according to their dictates. The employment of armed guards to escort the ships is another device which has been tried but without much success, because if a large number is assigned to one ship, the expenses will be too high for the shipping companies to bear; and on the other hand, if a small number is used, they will not be of much assistance in face of a large number of pirates. Another preventive measure has been resorted to by searching the passengers before they board the ships, but this indiscriminate search will easily arouse the ire of bona-fide passengers and turn them away to the ships the boarding of which they are not subject to such outrageous search. Moreover, with the assistance of some of the crew and teaboys, no matter how vigilant the search is, it can not reveal the true identity of the pirates. In face of this hopeless situation, some of the shipping companies have been compelled to refuse the accommodation of any passengers for those ships on which a large quantity of silver dollars or sycee has been loaded.

As a result of the increasing piratical activities, the British Navy with Hongkong as the base has kept two destroyers to patrol the coast for 100 miles for the purpose of protecting the British shipping interests. The Chinese ships in Chinese waters, however, have been still left to the mercy of pirates without any effective assistance either from the Central or from the provincial governments. The Central government has appearently been too much occupied with the problems of more importance than the matter of pirate-suppression, while the provincial governments of Fukien and Kwangtung have been busily engaged in making preparations for the civil wars. Therefore it must be said that this indifference on the part of government authorities has been principally responsible for the growth of this piratical menace.

Only recently have the Nanking government officials had time to turn their thoughts to this serious question. An Anti-Piracy Conference was called to devise effective means to curb this piratical menace with the participation of the representatives from the Ministries of Communications, Navy, Finance and Interior. Two meetings were held on July 10th and August 2nd respectively, and the problem was dealt with along two lines: Government protection and self-protection. Under the former category, the Ministry of Navy has been asked to work out a plan to give adequate protection to the merchant ships; while under the latter heading, the ships are required to install wireless and to communicate with the Central Radio Wireless Station every four hours after leaving port, and also to separate the engine room and wireless operator's room from the passengers' compartments.

The Vicious Teaboys

As a matter of fact, many of the Chinese-owned coast vessels have already been equipped with wireless transmitting and receiving apparatus for the sake of safety of navigtaion. But the wireless installation as an effective means to prevent piracy seems to be of dubious value. So long as some of the crew and teaboys are the accomplices of the pirates, the pirates can easily get an admission to that wireless operator's room and force the operator to do as they like at the points of guns.

While we do believe that the shipping companies should resort to some means of self-protection by either installing wireless and strong iron partitions separating the bridge, the engine room and wireless station from the passengers' compartments, or escorting the ships with armed guards, we, nevertheless, are of the opinion that piracy can not be effectively coped with unless the Central government takes a hand in it. By all means, this pirate problem has become national in scope, and no one provincial government can deal with it successfully without the cooperation of its neighboring provinces.

Without hesitation, the Ministry of Navy should take upon itself the task of pirate-suppression. The Chinese Navy, with its fleet of obsolete and antiquated warships, though it can not be expected to meet a foreign enemy, is, nevertheless, strong enough to fight the pirates who are not equipped with modern armaments. It can hardly justify its existence, if it only serves as a decoration of the country and can not even make Chinese waters safe for navigation.

In the meantime, the Central government should assist the shipping companies in gettting rid of the notorious and undesirable characters from their crew and teaboys so as to prevent any intrigue with the pirates. On the surface, this is primarily a matter of the shipping companies themselves, but with the support of their respective labor unions, the shipping companies are no longer in a position to control their crew and teaboys. In order to curb the activities of these labor unions so as to facilitate the enforcement of measures of reformation, the government assistance is indispensable.

It is understood that further meetings of the present Anti-Piracy Conference will be held in Nanking to discuss measures of prevention. It is fervently hoped that if any practical measures are worked out by the conference, they will not remain on paper but will be carried out into practice. In concluding, let us add that for the development of China's shipping trade, Chinese waters must first be made safe for navigation.

Shanghai, Aug. 28, 1933.

Merchants Urge Formal Recognition of Manchukuo

According to information which has reached the industrial department of Osaka Municipality from Mukden, foreign merchants in the former capital of Manchuria have started agitation for the formal recognition of Manchukuo, in connection with the abolition of extraterritoriality which they fear Manchukuo will enforce before long. They entertain misgivings about protection of their lives and property after the abolition of extraterritoriality. The information adds that foreign merchants have made representations to their consuls in Mukden that the only way out of the difficulty lies in the recognition of Manchukuo.

According to figures issued in Changchun, August 24 by the Bureau of Statistics the population of Manchukuo, including the Kwantung Leased Territory, totals 30,920,000. The number of Japanese is 838,000.

Payment of 2,417,125.47 Manchukuo yuan to foreign governments on contracts concluded since 1930 wherein goods were duly delivered has been made to date, it was announced in Changchun last week. The amount shared by each creditor nation follows: Germany, $305,154.82; United States, $28,457.26; Great Britain, $188,937.32; Manchukuo and China, $1,002,890.12; Japan, $889,114.74; Denmark, $2091.56; others, $479.65.

It was announced in Changchun, August 25 that Manchukuo ended her first year of fiscal independence on June 30 with a surplus of 13,000,000 yen, due to a great extent to larger Customs revenue than had been expected.

General Hishikari, Japanese Ambassador to Manchukuo, presented his credentials to Henry Pu Yi, Chief Executive of Manchukuo, in Hsinking Aug. 25.

The aggregate shipment of soya beans and bean cake from Manchurian ports, with the exception of Antung and Chientao, from October 1932 to the end of July is returned at appoximately 2,900,000 metric tons, a decrease of 900,000 tons as compared with the shipping year beginning October 1931 and terminating September 1932, according to the Manchuria Staple Produce Dealers Union.

The Manchukuo government has decided to put into circulation auxiliary currency of its own. The government so far has withdrawn 600,000,000 pieces of copper coins weighing about 5,000 tons, which will be melted and recoined.

Li Shi-pen, Manchukuo's Commissioner of Foreign Affairs in Harbin, under date of August 24, sent a note of protest of the Soviet Consul General at Harbin, charging Russia with having committed various sorts of irregularities on the Soviet-Manchukuo border.

Reports appearing in Japanese newspapers, alleging that Soviet frontier guards have been carrying out raids into Manchukuo territory, are described in Moscow by official circles as absolute fabrications.

A party of seven Tokyo lawyers made an extensive inspection tour through Manchuria during the week.

The White Russians in Harbin are futhering plans to create a colony for their people around Mergen in the Nonni River basin.

German Paper Says Japan Will Oust Britain from East

"Japan will play in the Far East the part Great Britain played before the war" the *Vossische Zeitung* wrote Aug. 25 while commenting upon Far Eastern issues. In the political field, Japan has already assured herself freedom of action, contravening the League Covenant. China is the only possible opponent of Japan in the Far East and it is evident," the paper concludes, "that Japan will endeavor to maintain China in her present state of impotence preventing her political consolidation which alone could give China real power."

Time Between Shanghai and Peiping Shortened

Through train service between Shanghai and Peiping will be started Octorber 10, when the Nanking ferry comes into operation. As from September 1, south-bound trains will take 40 hours and 45 minutes, as against the present 47½ hours, while north-bound trains will take 43 hours and 48 minutes as against the present time, 49 hours and nine minutes. A 36-hour service between Shanghai and Peiping and Peiping and vice versa has not been run since 1924 and, *Reuter* says such a schedule cannot be maintained at present as the track is not in a condition to carry trains at the high speed necessary to maintain such a schedule.

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The Control of Raw Materials and Other Issues

BY WANG CHING-WEI
President of the Executive Yuan
(Published by Special Arrangement with the People's Tribune)

IN this article I wish to deal in certain detail with questions arising out of the flood situation on the Huang Ho (Yellow River) and the American Wheat and Cotton Loan.

In July last, the Yangtsze River registered rather serious rises in its upper reaches. Lest the disastrous floods of the 20th year (1931) should be repeated this year, the Government organized the Yangtsze Flood Prevention Committee to undertake flood pervention work along the river. Although there were several breaches in Kiangsi and Anhwei, the flood did not assume any serious proportions. This was largely due to the strong dykes along the river constructed in 1931 as well as to the vigilance of the Yangtsze Flood Prevention Committee.

But no sooner had the situation on the Yangtsze slightly appeased the mind, than an alarm was raised on the Huang Ho. Although the situation in northern Kiangsu has eased somewhat, the situation in Shantung remains grave.

The Huang Ho Conservancy Board was established sometime ago. Recently the Government, in order the more effectively to cope with the situation, decided to place the Board, temporarily under the direct jurisdiction of the Executive Yuan, so as to secure the full co-operation of the various Provincial Governments concerned in the conservancy of the Huang Ho. Mr. Li I-Chih, Chairman of the Board, being ill, the affairs of the Board, are now in charge of the Vice-Chairman, Mr. Wang Ying-Yu.

The Government originally decided to set aside $600,000 and to place it at the disposal of the Yangtsze Flood Prevention Committee, the Ministry of Finance having already appropriated $100,000 to the Committee. Inasmuch as the danger of a serious flood in the Yangtsze Valley is now over, it has been decided to appropriate the balance of $500,000 to the Huang Ho Conservancy Board as well as hand over the remaining sand bags originally bought for use on the Yangtsze. The Commission will thus be enabled not only to prevent a flood in the Huang Ho Valley but also to carry out its whole program of conservancy work.

It must be borne in mind that the question of the conservancy of the Huang Ho does not merely mean flood prevention in the Huang Ho Valley, but also the harnessing of the entire river. For the Huang Ho has a direct bearing on the development of agriculture, industry and commerce in North China. While flood prevention in the Huang Ho is admittedly an urgent task at the moment, the actual control of the waters must be our ultimate objective.

Need of Control

Once a drought visits North China, thousands of square miles of land become immediately arid, while rainfall generally transforms the entire area into a flooded country. All this is attributable to the fact that the waters have not been placed under human control. Moreover, floods are sometimes caused by human agency. For instance, in several districts such as Huahsien, bandits used to break the dykes and cause a flood so as to defend themselves against the Government troops, and the inhabitants sometimes also resort to this method so as to defend themselves against the bandits. Such acts are of course, born of ignorance; for the victims of such floods are not only the bandits but also the inhabitants themselves.

It will thus be seen that though the technical aspect of the problem will be attended to by the Huang Ho Conservancy Board, the maintenance of public peace and order in areas along the course of the river must be taken care of by the various Provincial authorities concerned in co-operation with the inhabitants. The conservancy of the Huang Ho is a problem that concerns not only the river itself, but also affects the entire Huang Ho Valley. It is not only a question of urgent flood or drought relief, but has a direct bearing on the agricultural, industrial and commercial development of the whole of North China. The work of the Huang Ho Conservancy Commission, therefore, is not merely one of relief or prevention, but is fundamentally one of regulating the river itself.

I shall now touch on the question of the American Wheat and Cotton Credit.

Previously I have pointed out that according to the Customs statistics, the annual importation of foreign wheat and cotton to China amounted to over $300 millions. The present Wheat and Cotton Loan simply transforms the mode of purchase from cash payment to purchase on credit. In this way, firstly, the financial situation of the country will be eased, and secondly, the loan will not in any way adversely affect the wheat and cotton markets in China. The loan therefore has a number of advantages, and is in no way harmful to our people's interests.

According to reports received from various districts, however, it appears that the wheat products in certain localities—such as districts along the Tientsin-Pukow Railway Zone—remain in their respective districts. The reason why such products cannot be transported for sale to other districts is not due to any lack of railway cars, but is mainly due to the fact that the market prices of wheat are too low just at present. The same is true also with regard to cotton.

What, then, is the cause of this phenomenon? Is it the influence of the American Loan? No. For, as I have already pointed out, the importation of American wheat and cotton to China is regulated every year by a definite statistical ratio. How, therefore, can the importation of American wheat and cotton cause any stagnation in the domestic market this year in particular?

Careful investigation into this problem has revealed the real cause for the depression in the wheat and cotton markets, namely, manipulation by some unscrupulous merchants who regard that since the Government has concluded a Wheat and Cotton Loan, the Government must sell such wheat and cotton at cut-throat prices. Consequently, they refuse to buy the native produce. Simultaneously, wild and unfounded reports are being spread to various wheat and cotton districts.

The original intention of the Government in concluding the U. S. Wheat and Cotton Loan was to relieve the financial situation of the country. If, therefore, due to the manipulation by some profiteering merchants, the farmers are likely to suffer heavy losses, this state of affairs must by every possible means be prevented.

How can the American wheat and cotton be properly disposed of without giving the unscrupulous merchants an opportunity to manipulate the market, and at the same time without causing stagnation in the domestic market? A satisfactory answer to this question would be impossible without the establishment of some control over foodstuffs and other raw materials.

Cooperation of the People Needed

And this question must be solved before all others. While the Government holds itself responsible for the protection of our agricultural, industrial and commercial enterprises, and while in military and political affairs the Government cannot shift its responsibility on to the people—in economic matters, it not only ought not to work alone, but must go out of its way to seek the understanding and co-operation of the people. For instance, in enforcing military discipline and keeping a clean administration in the interests of the people, and in legally guaranteeing the safety of the lives and properties of the people so as to enable them to live in peace and pursue happiness without molestation—in all these matters, the Government must bear the sole responsibility, which must under no circumstances be shifted on to the shoulders of the people.

With reference to economic questions, certain problems such as the control of foodstuffs, however, have a close relationship with the people's livelihood, their agricultural and commercial enterprises, and the financial and currency problems of the State.

The Government must have full knowlege of the needs of the people. Their needs, however, vary in accordance with their localities and occupations. Divergencies of interests are sometimes so wide that conflicts are unavoidable. The Government not only must know their needs, but must also co-ordinate their interests in such a way that every citizen will be able to live in peace. Only in this way can the Government devise satisfactory

measures of food control, and meet with success in enforcing them. On the other hand, if the Government should go about its work alone and independently of the people, it could scarcely learn fully the needs of the people. In that case, even if the Government had the interests of the people at heart, its work might, on the contrary, be detrimental to such interests.

The question of the purchase and determination of the prices of food stuffs is a case in point. The Government must co-operate fully with the people and their organizations. It must weigh advantages and disadvantages and devise appropriate measures. Moreover, the various public bodies must be encouraged to supervise the enforcement of such measures as the Government may decide upon. Only in this way can the Government hope to achieve any degree of success for its measures.

Therefore, centralized food control is closely related to the solution of the question relating to the present baneful effect of foreign wheat imports on the native wheat market. However, food control must ultimately depend on the full co-operation between the people and the Government.

It is sometimes said that though it is quite easy to talk of food control, the fact remains that the facilities of communication as well as the system of social organization in the interior of the country are deplorably inadequate. It is indeed to be admitted that the active enforcement of food control depends on the development of the system of communications throughout the country. I have to point out, however, that due to the inadequacies of our communication and social systems at the moment, food control has become all the more important to us. It must be understood that many things come into being only when imperative necessity for them arises. Under present circumstances, in contrast with the vastness of our national territory, there is only a small number of good roads. Moreover, the development of the city and of the rural village in China has shown marks of disproportion. For instance, in some places the prices of grain and rice are exceedingly low to the detriment of the farmer's interests, but in others there is an inadequate supply of grains. Again, while some districts show such an abundant supply of rice and wheat that the surplus has to be burned, the people in some other districts are experiencing unusual hardships in securing even the bark of trees or the roots of grass for food. All this is due to the disproportion between our supply and demand. Therefore, to remedy this situation, there must be brought about a balance between the two, and to this end we must exercise food control. It is granted that the disproportion between supply and demand is due largely to the lack of adequate facilities of communication. However, we must not wait for the communication system to develop in order to secure the proper proportion between our supply and demand. We must exert ourselves in order to hasten the development of our system of communications, to the end that effective food control may thereby be facilitated.

The present economic collapse in China has affected not only the farmers, but also has resulted in our industrial and commercial bankruptcy. A brief statistical review reveals our economic bankruptcy. Our exports consist mainly of silk, tea and soya bean. Recently our silk and tea exports have been greatly reduced, and since the loss of the Three Eastern Provinces, the exportion of soya bean has been virtually reduced to insignificance. On the other hand, our chief imports consist of cotton piecegoods, cotton yarn, rice, wheat, flour and wood. Though fundamentally an agricultural country, China has to depend on foreign agricultural imports, not to say of other products.

Unfavorable Balances

According to Customs statistics, the condition of our foreign trade during the past three decades is as follows:

(In the following table showing our import and export trade, the figures are meant to represent Millions of Hai-Kwan Taels.)

Year	*Import*	*Export*	*Balance*
1901	315	214	101
1906	416	264	152
1911	473	370	103
1917	549	462	87
1922	945	654	291
1927	1,012	918	94
1928	1,195	991	204

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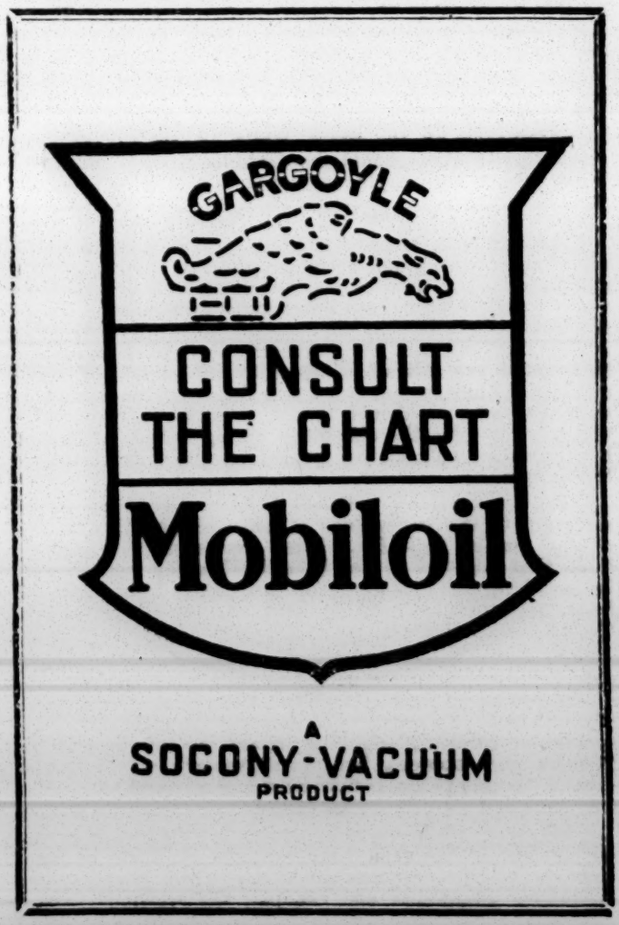

1929	 1,265	1,015	250
1930	 1,309	894	414
1931	 1,433	909	524
1932	 1,049	492	556

The unfavorable balance of trade during the past thirty years, as shown in the above table, is most astounding. In 1917 due to the European War, and in 1927 due to the revival of the revolutionary movement in China, the excess of imports over exports was comparatively lower than in other years. But in 1931 while the imports amounted to 1,400,000,000 taels, the exports amounted to only 900,000,000 taels—the excess of imports over exports being 500,000,000 taels. The situation in 1932 was even worse. While the imports amounted to 1,000,000,000 taels the exports amounted to less than 500,000,000 taels and the unfavorable balance of trade amounted to over 500,000,000 taels. The excess of imports over exports being in this instance larger than the total of our exports, it is therefore no wonder that we should witness the bankruptcy of our rural villages, the poverty and distress of our people, and the stagnation in the development of our industrial and commercial enterprises. Compared with our Boxer Indemnities, the figure of our unfavorable balance of trade is even larger. Should this state of affairs be allowed to go on unrectified, then, though the country is not paying indemnities the sweat and blood of the people are being heavily taxed and allowed to flow to foreign countries. Talking of national emergency, no emergency is really more serious than our economic emergency. In this light, then, we see that the wheat and cottton loan is only a part of our economic difficulties. If the economic situation of the country is brought under centralized control, and if the agricultural, industrial and commercial enterprises of the country are readjusted, then all our economic problems can be solved, and the cotton and wheat loan will no longer be a problem.

In this connection, it should be understood that such a centralized control and readjustment is not to be undertaken in the interests of a section of the population, but will be for the welfare of the entire nation. While we must, protect the interests of the farmer and the laborer, we must also protect the interests of our industrialists and merchants. For without adequate protection our infant industrial and commercial enterprises will hardly be able to weather the present economic storm. Therefore, in our centralized economic system, the interests of the industrialists and merchants as well as those of the farmers and laborers should be protected alike. According to the industrial program of our late Party Leader (Dr. Sun), all enterprises of a national character should be undertaken by the State, while all enterprises of a private character should be left to private interests. What I have been saying amounts to the same idea.

Manipulation by Merchants

As has been already pointed out, the stagnation in our present wheat and cotton markets is largely due to manipulation by profiteering merchants. There is, however, a reason why these unscrupulous merchants should act thus. This is that the present economic depression affects everyone, and the merchants in order to maintain their trade are obliged to resort to the method of manipulation. Since we do not wish to see them resort to such methods, we should therefore devise a plan which will at once solve the difficulties of the industrialists and merchants as well as the general economic difficulties of the people.

In my previous writings I have repeatedly called attention to the importance of consolidating the vitality of the people (*Min-Li*). Some people are inclined to think that this sort of idea is rather Utopian in character. In fact, however, it is an urgent warning. This point will be appreciated fully if we but cast a glance at the Customs statistics.

After all, I must repeat the old formula: "Consolidate the strength of the people." Only when the strength of the people is consolidated, can the national vitality be strengthened. In order to consolidate the strength of the people, we certainly ought to protect the interests of the farmers and laborers, but simultaneously we must also protect those of the industrialists and merchants. For only thus can we protect the interests of the entire nation.

Likewise, while we must centralize the public economic system, at the same time we must give free development to private economic interests. Only thus can we adequately reorganize and readjust the economic system of the entire State. The greatest economic defects of China are firstly, the lack of money, and secondly, ignorance of how to utilize our money. This point has been clearly demonstrated in the present wheat and cotton loan. It ought, therefore, to receive our fullest attention.

Nanking, August 21, 1933.

Agitation for Fund-Auditing Slackens

During the week past, there seemed to have been a lull in the agitation of the various public bodies in Shanghai for auditing the accounts of the public contributions for the support of the Manchurian Volunteers. The Shanghai Audit Committee, which was recently organized to undertake the work, has met with difficulties and rebuffs in its work, because some of the organizations handling the contributions refused to allow their books to be inspected. The Committee has drafted a set of resolutions regarding the proposed audit aiming at learning the cause of the disappearance of the funds. The resolutions are to the effect that further steps to be taken against the various organizations failing to produce account books for inspection be suspended pending negotiation and that another petition be sent to the Administrative Yuan, urging the appointment of a high commissioner to undertake the investigation.

According to a statement issued by Pan Shu-luen, a well-known local licensed auditor, on August 22, who has been engaged by the Committee to examine the accounts of the contributed funds, the total amount of contributions did not exceed $4,000,000. He said that there was no evidence to support the report that contributions reached $20,000,000, as claimed in some quarters.

Commenting on the controversy between Generals Chu Ching-lan and Li Tu over the matter of disposal of the public contributions the *Peiping Morning Post* in an editorial on August 22 advised that pending an official inquiry into the case, the public should suspend its judgment and not arrive at hasty conclusion. In part, the paper said: "While we have no wish to prejudice the case while the full facts are yet not known, yet we feel that in view of the paucity of public-spirited men in this country, both the Government and the public should take a generous attitude towards a man of General Chu Ching-lan's type. For many years General Chu Ching-lan served with distinction in Manchuria. After retirement from Government service he devoted himself to social service work. In recent years he has thrown himself heart and soul into the work of relieving famine sufferers. Whenever he makes an appeal for funds, contributions literally flow in from all sides. This is certainly a very eloquent proof of the public's confidence in his personal integrity. True he has received no scientific training and may be somewhat haphazard in his methods, but it is safe to say that it is difficult to find another man in the country who possesses public confidence in a higher degree than General Chu. Both the Government and the public have a duty to see to it that General Chu retains this confidence, for it is a most valuable asset in the administration of relief work. Once this confidence is lost a great blow will be dealt to the cause of charity in this country. We are of the opinion that for private individuals to administer philanthropy is an abnormal state of affairs, for we maintain that relief work should be one of the Government's activities, but as the situation stands in China to-day, private management of philanthropy is necessary."

Further, the paper commented while it did not believe that General Chu had administered the contributions to the satisfaction of all or there had been no flaw in their disposal, however it must be considered that Gen. Chu had handled a very difficult job. Therefore, dispassionately speaking, the paper urged, the public should not concentrate on his weak points but also remember his good points. Finally, the organ said:

"If there is any discrepancy in the accounts, there is no harm in making this known to the public so as to fix responsibility. On the other hand, if it is conclusively shown that General Chu is guilty of embezzlement, then let him be punished with the full rigor of the law, meanwhile, pending an official inquiry into the case, let the public suspend judgment. If both sides use the press to ventilate their grievances against each other, not only a careful appraisal of the merits of the case is impossible but both the Government and the public will suffer."

Bureau Secret Service Head Murdered at Local Hotel

Huang Yung-hua, chief of secret service department of the Public Safety Bureau of the Shanghai Municipality charged with the duty of rounding up communists and reactionaries in Shanghai, was murdered in an elavator at the Sun Sun Hotel at 11.15 p.m. on August 25, when he was leaving the hotel after visiting a friend there. He received three bullet wounds to which he finally succumbed after being rushed to the Shantung Road Hospital. His bodyguard was hit once in the thigh and later also died in the same Hospital. The assassins, two in number, succeeded in making good their escape after the affair and are still at large, although police officers of the Chinese Municipality, the International Settlement and the French Concession have been hunting for them during the past week.

The assassination of Mr. Huang is generally regarded as an affair of political retaliation on the part of the Communists and is said to be closely connected with the murder of Ma Shao-wu, another secret service agent of the Bureau, who who was killed on Chekiang Road last May. Both officers were specially detailed to Shanghai by the Central Party Headquarters to hunt down communists and their vigilant activities in dealing with the latter led to their tragic endings. According to reports in Chinese papers, both Ma and Huang were formerly Communists themselves but they had been converted into Kuomintang members and become anti-Communist workers.

The late Mr. Huang (whose real name, according to police reports, was Chien Yi-chang) was a native of Jukao, Kiangsu and was 31 years old at the time of his death. He was graduated from a High School in Nanking. Under the Nationalist Government, he had held several important posts, including that of judge of the Military Court of the Wuhan Headquarters of Gen. Chiang Kai-shek. Upon Ma Shao-wu's assassination in May this year, he succeeded him in his last post as head of the Secret Service of the Bureau of Public Safety of Shanghai Municipality. He is survived by an aged mother, a wife and a daughter. Funeral services for the late officer were held at the Chinese Funeral Directors on Haig Road which were attended by a large number of his former fellow officers and associates.

At the weekly memorial service of the Greater Shanghai Municipal Government on Aug. 28, Mayor Wu Te-chen paid a high tribute to the many faithful officers of the Bureau of Public Safety, such as the late Ma Shao-wu and Huang Yung-hua who have been killed in the course of duty. The faithfulness and devotion of members of the Bureau, the Mayor said, have led them to face danger and risk their lives in the performance of their duty in order to keep robbers and communists in check. Due tribute was therefore owing to the men who have sacrificed their lives for the common good, Mayor Wu said.

Wheat Agreement Is Signed in London

Definite steps towards an international wheat agreement were reached in London, Aug. 23 when the wheat conference representing 31 countries, agreed on an international wheat price. This is understood to mean a duty-free gold price c.i.f. on the world market calculated on the average price of parcels of imported wheat sold each week in all ports of Great Britain. It was agreed that each of the four principal exporting countries, Australia, Canada, Argentiue and the United States, with Soviet Russia, should be separately represented and that the Danubian countries should have two representatives.

A wheat agreement was reached at the London wheat conference Aug. 25 by exporting countries, which accepted the price of 12 gold francs per quintal.

Measures for joint investigation into the causes of the stagnation of the native-grown wheat market have been decided upon at meetings of representatives of the Ministries of Industry, Railways and Finance, the Nanking Municipality and the Rural Rehabilitation Commission, at Nanking. Three deputies have been assigned by each organ to investigate conditions along the trunk railway lines regarding the production, consumption, storage, taxation and transportation of wheat. The investigation expenses will be borne by the respective organs.

In accordance with the petition of Dr. Alfred Sze, Minister at Washington, a Chinese Consulate is to be established at Portland, Oregon, U. S. A., to attend to the transportation of the American wheat to China.

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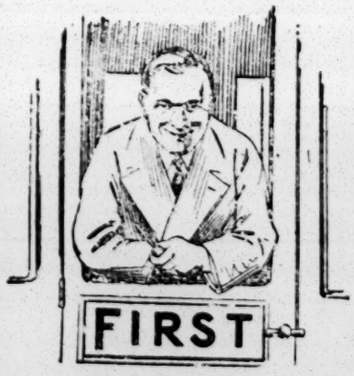

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Little Hopes for Disarmament in Near Future

Recent telegrams from all parts of the world indicate that there is little chance of any disarmament plans coming to fruition during the next few years. The two principal disturbing factors are the attitude of Japan and Germany. Japan has already intimated that she will ask for naval equality with the U.S.A. and England and the Hitler program envisages the arming of Germany and defiance of the terms of the Versailles treaty. The reaction is that the United States has begun to build in the hope of convincing Japan that in a race the latter will lose. The reaction in Europe is that France will not listen to any disarmament plans unless England and America give her security guarantees against Germany —which America, in particular, is not prepared to give.

The N. Y. *Evening Post* recently stated that every possibility of an efficacious action in Geneva has disappeared since the Nazi advent to power in Germany and that the "high idealism of President Roosevelt's policy" should not prevent one from seeing that "only a miracle can save the Disarmament Conference."

Madame Marthe Oulie, who took part in the International Youth Congress held at Chicago, told the readers of the Paris paper *L'Intransigeant* recently that as regards the disarmament question, President Roosevelt is fully aware that it is impossible for France to disarm without guarantees, and said, in approval of France's attitude: "If I were a Frenchman I wouldn't be quiet."

America as Japan's Potential Enemy

Hollington K. Tong, writes in *The China Press*:— "The general interest displayed all over the world in the Japanese naval maneuvers would be enhanced manifold if they only knew that Great Britain and the United States of America have been figured as Japan's potential "enemies" in these operations that have been going on in the Pacific Ocean for more than two months. The significant thing about the present maneuvers is the intense seriousness with which they are regarded by all classes of the population. Rear-Admiral Inji's statement in a way typifies the feeling of the entire nation. When the Japanese take themselves as seriously as they do in a matter of this kind, it behooves other nationals not to regard the matter lightly. The Japanese at the presest moment present the spectacle of a nation under arms and on the march and the question is when and where will they strike next."

Chinese Editorial Comment

The Peiping *Morning Post* comments:—"Since the London Naval Conference of 1930, the Japanese militarists have been doing their best to get round the terms of that Treaty and to increase their naval strength. Judging from existing indications, there is little prospect that the treaty, which expires in 1935, will be renewed in its present form. What is more, Japan has become more jealous and watchful of the activities of the United States since the Mukden incident of September 18, 1931. The United States may not desire a war with Japan, but every military and naval activity of Japan is dictated by the consideration that America is her hypothetical enemy. We believe that war clouds are fast gathering on the Pacific horizon and that the danger of a war between Japan and America is growing more possible. Despite her present economic depression there is every reason to believe that if America throws herself into the naval armament race after the expiration of the Naval Treaty, she will easily overtake Japan. Moreover America has a great superiority over Japan in her heavy industries, which can be easily mobilized for the manufacture of munitions and arms. "Until 1936 America will be very patient with the provocative acts of Japan. This has been shown by the conciliatory attitude of the United States throughout the Sino-Japanese controversy. 1936 therefore will be a very critical year in the history of the world."

The Tientsin *Ta Kung Pao* comments:—"According to the Covenant of the League of Nations, Japan's withdrawal will take effect two years hence. That is to say, the question of Japan's mandates over the South Pacific islands is bound to arise in 1935, when Japan's secession from the League becomes effective. In the same year the London Naval Treaty is up for revision. It is therefore quite understandable why Japan is at present so anxious to strengthen her Navy. Since the events of September 18, 1931, there has been a general clamor in Japan for the strengthening of national defences, thanks to the adroit propaganda of the militarists. It is said that over 10,000,000 people have donated new weapons of national defence to their government, valued at Yen 10,000,000. Japan was ordinarily not very strong in military aviation but since 1931 she has developed her air force at an astonishing rate. Japan is establishing more military training centers, and employing young men for intelligence and aviation work. The aim of the Japanese militarists is to create a fear complex in the minds of their own people so that they will not oppose further draining of the national treasury for purposes of military preparation."

U. S. Secretary of Navy Inspects Naval Bases

U. S. Secretary of Navy Swanson, who is already on record as desiring a navy second to none in the world, has decided to make a thorough inspection of United States naval bases and coast defences

The desirability of maintaining the friendliest relations with the United States of America is hereafter to be the gravest concern of Foreign Minister Uchida, a recent *Nippon Dempo* account stated. The news service said the Japanese Foreign Minister feels that the diplomatic relations of Japan and America have made favorable headway since the induction of the Roosevelt Administration, and that the world economic conference and the acute problems in the readjustment of America's internal economy have caused the United States to withdraw attention from Japan and Manchuria.

The Defense Study Association, an organization to work in behalf of the defenses of Japan after the expiration of the Washington and London naval treaties at the end of 1936, was established in Tokyo recently with ceremonies in the plaza in front of the main entrance to the Imperial Palace. The group behind the movement includes Mr. Kaitate Yoshio Fuji and Goro Tanno. *Nippon Dempo* says that War Minister Araki and Lieutenant-General Shinji Hata, commander of the gendarmerie, are sponsors, and that Commander Sekine of the Navy and Lieutenant Colonel Suzuki of the Army will be advisors.

Prof. Charles Hodges Says Japan Will Lose in Naval Race

Speaking at the monthly tiffin meeting of the American University Club in Shanghai Aug. 22, Professor Charles Hodges of New York University, speaking on "Danger Spots in World Politics," said. "Real world unity is more than just a system of holding together the divergent national policies of the government of the world." After discussing the London Conference and events in Germany, the speaker struck an optimistic note on his observations on Russia. "Here," he declared, "is a country that really desires peace. This love of peace is not idealistic, but it comes from a realisation of fact that Russia needs peace for its existence and it is prepared to fight in order to keep it. The Stalin Government has abandoned the idea of 'World Revolution' and is concentrating in effort on the militarization, industrialization, and the feeding of the country. The leaders of the country are gradually succeeding in their efforts, and Soviet Russia is here to stay."

In reply to questions Professor Hodges expressed the opinion that the Disarmament Conference of 1936 will find Japan standing firmly for naval equality with the United States and Britain. "However," he said, "unless some agreement is reached, Japan will lose the very thing it is trying to obtain. In a building race the United States would have an overwhelming advantage. America is prepared to spend five billions of dollars in a naval race. If Japan is desirous of meeting this sort of competition, she may stand by the avowed intentions of her naval leaders. If not, there is still time for her to reason things out from a logical, practical, and more friendly point of view."

Britain to Loan China $4,000,000 for Radio Improvement

A report from Tokyo says the Nanking Government has contracted for a loan of $4,000,000 with a British concern, for the extension of the Telegraph Apparatus Factory owned by the Chinese Communications Office. The first plant of the factory will produce telegraph equipment, the second plant wireless telegraph equipment, and the third plant batteries. The materials for the extension of the factory will be bought from Britain.

Chinese Eastern Railway Negotiations Still Deadlocked

The Soviet-Manchukuo negotiations at Tokyo for the sale of the Chinese Eastern Railway are still deadlocked. Manchukuo still adheres to the suggested price of 50,000,000 yen for the purchase of the line, contending that this corresponds with the 200,000,000 gold roubles asked by the Soviet. This calculation is based on an exchange rate of 25 sen to one gold rouble.

Allegations by the Manchukuo representatives on the board of the Chinese Eastern Railway and their Japanese advisers, who several times declared in the Harbin press that there were irregularities in the cash and bank accounts handled by the railway management, have been refuted by the examination conducted by the railway's comptrollers, who have declared everything to be in perfect order.

Mr. Rudy, the general manager of the Chinese Eastern Railway is stated to have drawn up a series of reforms in connection with the railway and it is reported in well-informed circles in Harbin that M. Preshin, a member of the revision committee of the railway, has been recalled to Moscow to lay these projects before the Soviet Government.

According to reports in Changchun eight outstanding Soviet officials of the Chinese Eastern Railway evacuated Harbin on the night of August 23 for Russia. When they passed Manchuli, a secret order was despatched to the remaining Soviet officials of the same railway, it is alleged. Both Manchukuo and Japanese officials are keenly watching the attitude of the Soviet officials as it is reported that a general walk-out of Russian employees of the C.E.R. is imminent.

The Harbin branch of the National City Bank of New York has refused a request of the Manchukuo representative on the Board of Comptrollers of the Chinese Eastern Railway to be supplied with information as to the condition of the railway's accounts.

"Izvestia" Says, "Hands Off"

Izvestia, organ of the Soviet government, declares that no bona fide commentator could construe M. Barishnikov's appointment as financial expert in the C.E.R. negotiations otherwise than as proof of the readiness of the Soviet government to discuss in a business-like manner outstanding technical and financial questions relating to the proposed sale of the railway. The paper adds that those who ascribe to the appointment the purpose of protracting the negotiations are a group which maintains the "decisive attitude" of incessantly attempting to undermine the negotiations by evading a business-like discussion of the matter in hand.

The *Izvestia* also issued a warning to the militarist adventurers in Japan to keep their hands off the Soviet Far East. The fact that the Soviet government is negotiating to sell the Chinese Eastern Railway should not, it is pointed out, be construed as indicating Soviet readiness to liquidate its entire position in the Far East. "Energetic preparations to repulse any sally into Soviet territory and any provocation directed against Soviet rights and interests in the Far East—such is the firm and unanimous answer of the toiling masses of the U.S.S.R. to the plans for hostile adventures and seizures of which the imperialist plotters permit themselves to dream," *Izvestia* concluded.

Editorials in *Izvestia* and *Pravda* emphasize the Soviet's earnest desire for a successful conclusion to the conference for the transfer of the Chinese Eastern Railway.

The Moscow *Izvestia* Aug. 24 published allegations that Japanese circles are aiming at Soviet territories in the Far East in Kamchatka and Saghalien.

Marshal Feng Will Stay at Taishan for the Winter

Chen Kung-po, Minister of Industry, and Dr. C. C. Wu visited Marshal Feng Yu-hsiang at Taishan during the week.

General Li Lieh-chun, a member of the C. E. C. who recently went to Kuling to see General Chiang Kai-shek, on behalf of Marshal Feng Yu-hsiang, returned to Shanghai Aug. 27.

According to information from circles in close touch with Marshal Feng Yu-hsiang, the Marshal will remain at Taishan for the winter and will not consider going to Nanking before next spring.

CUSTOMS NOTIFICATION NO. 1313

The public is hereby notified that, in accordance with Government instructions, the modification of Article IX of the Consular Invoice Regulations announced in Customs Notification No. 1,240 is now further modified as follows:

Beginning from 1st September, 1933, in cases where a consignee of foreign cargo shipped to China is unable, at the time of application to import, to produce to the Customs the requisite Consular invoices, irrespective of whether he is able or unable to give the numbers affixed to the invoices by the Chinese Consulate abroad issuing them, he shall be called upon to pay on deposit a sum equivalent to three times the usual certification fee of G. U. 5.00 in respect of each Consular invoice required, but shall be entitled to refund of the deposit upon production to the Customs, within a period of six months from the date of the deposit, of the requisite original Consular invoices, failing which surrogate invoices shall be issued by the Customs and the deposit forfeited.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 24th August, 1933.

CUSTOMS NOTIFICATION NO. 1314

The public is hereby notified that, in consequence of the adoption of the 1931 International Code of Signals, the following modifications in the flag signals at present in use for stopping a vessel at sea for the purpose of carrying out a Customs search will take effect from the 1st January, 1934:

One short, one long and two short blasts of the whistle will be blown to call the attention of a vessel, followed by hoisting the flag signal:—

(The 1931 International Code of flag signals will be used and the two-flag signals adopted for urgent and important cases).

ON = You should heave to, stop at once; or
WZ = You should stop your vessel instantly; or
DG = You should anchor instantly;

as the circumstances require or permit. When the order is complied with, one of the following signals will be hoisted:—

RV = Where are you bound? or
RW = Where are you from?

It is to be noted that no alteration will be made in the sound signal of one short, one long and two short blasts, which in the new code retains the desired meaning, i. e. "you should stop, I have something important to communicate".

It is further to be noted that, in deference to the emphasis laid on the use of Very lights as signals of distress in the new Code of Signals, the use of these lights for stopping junks at night will be discontinued.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 26th August, 1933.

Who's Who in China

Ko Cheng-ting, Government Official and revolutionary worker; native of Kweichow; born in 1902; studied at Kweiyang, Capital of Kweichow, during the time of "May 4 Student Movement" of 1917 and was active in student activities, initiating a vigorous campaign against World Imperialism and the then traitorous Peking Government; when the Kweichow Provincial Student Association was formed, he was elected President of the Association, assuming supreme leadership in the direction of the mass movement; while the people in Kweichow were gradually awakening at that time, the authorities in power in the province then as yet consisted largely of old-style militarists with feudalistic ideas, not only unsympathetic to the Mass Movement but inclinded to oppress the people; for the purpose of safeguarding the rights of the people, an Association for People's Participation in Political Affairs was organized in Kweiyang and he was elected Vice-President of the organization; since then, he has been engaged in the movement for the promotion of the rights of the people against the reactionary and feudalistic-minded militarists; because of his revolutionary activities, he incurred the ill-will of the then controlling militarists in Kweichow and amidst intolerable and oppressive circumstances, he had to leave China in 1922 for Germany where he studied political economy at the Berlin University; at that time, Germany was full of Chinese students of reactionary type who supported the corrupt Peking Administration and were opposed to the Canton Revolutionary Government; acting under orders from the Central Party Headquarters at Canton, he organised the Chinese Students' Association in Germany and was elected a member of its Executive Committee to campaign against the Peking Government and propagate Kuomintang principles in Europe; in 1924, when the Kuomintang was reorganised, he was elected a member of the Standing Committee of the Branch Party Headquarters in Germany and openly introduced the new Party slogan "Overthrow Imperialism" in Europe which caused great surprise to the European Imperialists; besides undertaking the work of the Branch Party Headquarters in Germany, he also associated himself with representatives of the weak and oppossed nations in Germany and organized an International United Front Against Imperialism to engage in anti-imperialistic activities; at the re-election of officials of the branch Party Headquarters in Germany in 1925, he was again elected a member of the Supervisory Committee and later Chairman of the organization; while he was thus engaged in the work against Imperialism, the "May 30 Affair" suddenly occured in Shanghai and Chinese students abroad were seething with indignation over the affair; working in conjunction with the various international organizations, he redoubled his efforts in the anti-Imperialism Movement in Europe and toured the various parts of Germany on an anti-Imperialism publicity campaign, as a result of which, the international opinion towards China underwent a surprising change and suddenly became sympathetic towards her; meanwhile, he was invited by the "International Labor Relief Association" as a Chinese advisor and in this capacity was largely responsible for the material and spiritual support rendered China in her Racial Emancipation Movernment after the "May 30 Affair" by the working masses of the world: when the "World's Anti-Imperialism Alliance" met at the Belgian Capital, he was appointed a Chinese delegate to the conference and was an active member on the anti-Imperialism front; in the Fall of that year (1925), he was graduated from the Berlin University and under instructions from the Central Party Headquarters, left Germany for Soviet Russia for further study; after arriving at Moscow, he entered the Sunyatsen University to research in the Soviet Revolutionary theories and to study the political and economic reconstruction of Russia after the Revolution; at that time, communist influence was dominating in Moscow and practically all Chinese students in the Sunyatsen University were converted into Communism; indignant at the nefarious scheme of Communist Russia in overthrowing and displacing the Kuomintang Party in China by the Communist Party, he get together a group of faithful Kuomintang comrades and launched a counter-campaign against the Communists; as head of the organization department of the Branch Kuomintang Party Headquarters at the Sunyatsen University and later as Chairman of Chinese Students' Association of the University, he led his comrades in anti-communist activities and strengthened the faith of his associates in Kuomintang principles; because of his activities, he was greatly hated by the Communists and threatened with arrest; in the Winter of 1926, he completed his courses in the Sunyatsen University and prepared to return to China; upon discovery of his impending departure, the Soviet authorities detained his books and personal effects, but he succeeded in escaping arrest and leaving the Soviet territory; when he arrived back in China in December, 1926, it was the time when the Northern Expeditionary Forces were in the midst of their triumphant march into the Yangtze Valley from Canton and he was immediately appointed Director of the Political Department with the rank of Lt.-Gen., of the Headquarters of the 26th Nationalist Army; in Feb. 1928, he was appointed a secretary of the Publicity Department of the Central Party Headquarters and concurrently member of the planning committee of the Mass Training Committee of the C. E. C.; after the capture of Peiping and unification of the country by the Nationalist Revolutionary Forces, he was appointed by the Central Party Headquarters as a Director of the Peiping Special Party Headquarters and concurrently a member of its Standing Committee; in Nov., 1931, when the 4th National Party Congress was held at Canton, he was elected a delegate to the Congress; in Feb. 1933, he was made a counsellor of the Executive Yuan of the National Government and shortly after was invited by the Government as a member of the National Salvation Conference called at Loyang to discuss measures against the Japanese aggression in China; in March of the same year, was appointed a Counsellor to the Ministry of Railways and in April, proceeded to Loyang to attend the National Salvation Conference; in August, was transferred to the post of Director of the Administrative Affairs Department of the Ministry of Railways which position he now retains; in Sept. was elected member of the Executive Committee of the Nanking Special District Party Headquarters and in June 1933, elected by the same Party Headquarters as a delegate to the forthcoming 5th National Party Congress; he has devoted himself to revolutionary work for more than ten years and is regarded as a leading spirit of the youths in China; address: Ministry of Railways, Nanking.

谷正鼎

Ko Cheng-ting

谷正鼎，貴州人，年三十一，爲國民黨之活躍分子，當"五四"運動時，谷君留學貴陽，在學生團體中，積極提倡反對帝國主義及北京賣國政府運動，當全省學生聯合會成立，公推谷君爲會長，執行羣衆運動之最高領導權，惟彼時省內羣衆運動雖甚緊張，而執軍政權者，尙爲割據自雄之軍閥，對於羣衆運動，時加壓迫，民衆方面，亦視之若仇敵，故爲保障民權起見，遂有"人民參政運動會"之組織，而谷君被選爲該會副會長，由是遂益專心從事民權運動，領導各界民衆與封建軍閥鬥爭，谷君因工作關係，頗遭當軸軍閥猜忌，在惡劣環境壓迫之下，遂於民國十一年春赴德留學，入柏林大學政治經濟系肄業，時留德學生，多擁護北京府反對廣東革命政

C. P. C. Approves Mandate Granting Bail to Prisoners

In accordince with a proposal of Chu Cheng, President of the Judicial Yuan, it was decided, by the C. P. C. recently that the National Government should issue a Mandate to the various Provincial Governments instructing the release, on bail, of accused persons whose cases have not yet been decided upon by the Courts; and that the Ministry of Judicial Administration be instructed through the Executive Yuan to formulate detailed measures for the reprieve of convicts.

The meeting confirmed the mandates of the National Government, dated August 2, appointing Liu Wen-lung, Generals Sheng Shih-tsai and Chang Pei-yuan as members of the Sinkiang Provincial Government Committee; Liu serving concurrently as Chairman of the said Government, and General Sheng Shih-tsai as concurrently Defence Commissioner for the Sinkiang Border.

The Executive Yuan, has appointed Tang Yu-jen (Chief Secretary to the Central Political Council), as Administrative Vice-Minister of Foreign Affairs in succession to Liu Chung-chieh.

Chen Fu-mu was dismissed from his post as member of the Central Overseas Affairs Committee while Wang Fu-tai succeeds him.

Hsiang Che-chun is relieved from his post as Secretary to the Ministry. Feng Yu-chen succeeds him.

府者，谷君受黨國之命 ， 組織留德學生總會 ， 並被舉爲執行委員，由是糾合同志 ，擴大反對北京政府擁護廣州革命政府運動 ，同時並積極宣傳本黨主義，迨民國十三年，國民黨改組 ，谷君被選爲駐德友部執行委員會委員，旋被推爲常務委員 ，並正式提出"打倒帝國主義"口號，歐州帝國主義者 ，咸爲側目，谷君除担任支部職務外 ，復聯合弱小民族之留德代表 ，組織反帝國主義的聯合戰線，從事反帝工作 ，至民國十四年本黨駐德支部改選， 復被選爲監察委員會委員，旋被選爲該會主席，時"五卅"事變突起，國人甚爲激昂 ，谷君聯合國際團體，積極作反帝運動，並赴德國各重要城市作反帝之宣傳，國際間之輿論，爲之一變， 同時"國際勞工救濟會"聘谷君爲該會中國顧問，故在"五卅"事變後，國際工人對我國民族解放深表同情 ，而給以精神及物質之援助者，谷君之積極宣傳實與有力焉，其後國際"反帝國主大同盟" 開會於北京 ，谷君復充中國代表，在反帝戰線上爲戰鬥之一員，是年秋， 適屆畢業，試畢，卽離德赴俄 ， 民國十四年奉廣州中央黨部派送莫斯科孫文大學，研究蘇俄革命理論 ，及與革命後之政治經濟及設施，時赤都氣氛 ，共黨氣燄甚張， 在孫大之中國學生，鮮有不入其彀中者 ，谷君因憤共產黨企圖滅亡本黨之陰謀 ，集合中國國民黨之忠實同志，與之鬥爭 ， 並任中國國民黨莫斯科孫文大學特別黨部執行委員會組織部長 ，領導同志 ， 作反共運動 ， 因此復被選爲莫斯科孫文大學學生公社(卽學生會)主席， 在莫斯科進行反共工作 ，故共黨對於谷君，甚爲痛恨，恒欲得之而甘心 ， 民國十五年冬， 孫文大學肄業期滿，谷君準備歸國 ，所有一切書籍物件，俱被蘇俄政府扣留， 幸事先防範，得以脫險，於同年十二月中安抵國力 ，歸國後正當北伐軍極度進展之時 ，卽被任爲國民革命軍第二十七軍政治部少將主任 ，担任前方政治工作，至十七年二月被任爲中央黨部宣傳部秘書 ，旋兼任中央執行委員會民衆訓練委員會設計委員 ，對於宣傳與民衆訓練工作，積極籌劃，六月間北平克復 ，統一告成 ，中央派谷君爲北平特別市黨務指導委員會委員 ，兼常務委員會委員，民國二十年十一月，中國國民黨開第四次全國代表大會於廣州 ，谷君被選爲出席代表，二十一年二月 ，任國民政府行政院參事，旋被聘爲國難會議會員，三月任國民政府鐵道部參事，四月赴洛陽出席國難會議 ，八月改任鐵道部總務司長 ，九月被選爲中國國民黨南京特別市出席第五次全國代表大會代表，谷君致力國民革命，歷十餘年 ，艱難困苦，爲黨奮鬥，雖屢遭困扼，然屢險如夷 ，故能成爲今日中國青年界之中心領袖。

CUSTOMS NOTIFICATION NO. 1315

The public is hereby notified that, in accordance with Government instructions, the exportation abroad of old or scrap copper (or brass), iron and lead will be prohibited in future and that the following definition of "old or scrap copper (or brass), iron and lead" will be used in this connexion:—

(1) Broken up or used copper (or brass), iron, and lead articles, i. e., semi-manufactured, such as sheets, plates, bars, rods, etc., and all completely manufactured articles made of these metals, such as wire, cable, tubes, machinery parts, gun shell cases, etc., which are in such a broken or rusted as to preclude them being used directly for further manufacture.

(2) Copper (or brass), iron, and lead dust, dross, strips, and cuttings, that is, wastage accruing from these metals either in their raw state or in the form of manufactured articles when subjected to further manufacture.

All articles made of copper (or brass), iron, and lead or alloys of these metals of the nature described under (1) or (2) above and fit only for remanufacture are defined as "old or scrap copper (or brass), iron, and lead".

H. O. TONG,
Superintendent of Customs.

A. C. E. BRAUD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 28th August, 1933.

CUSTOMS NOTIFICATION NO. 1316

With reference to Customs Notification No. 1,309, notifying the continuation of the collection of the 5% Revenue Surtax for a further period of one year from 1st August, 1933, the public is now informed that, in accordance with Government instructions, the collection by the Customs of this 5% Revenue Surtax on import and export duty will be continued for a period of eleven months only from the 1st August, 1933, to the 30th June, 1934.

H. O. TONG,
Superintendent of Customs.

A. C. E. BRAUD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 28th August, 1933.

THE PAN-PACIFIC CULTURAL ASSOCIATION

Has reprinted for general distribution in pamphlet form the treatice by the late B. H. Chamberlain, Emeritus Professor of Japanese and Philology at the Imperial University of Tokyo, entitled,

"THE CREATION OF A NEW RELIGION"

The pamphlet contains in its 10 pages a complete exposition and analysis of Shintoism and Empire-worship, regarding which the world is now beginning to hear so much along with the so-called doctrines of Pan-Asianism and Asiatic Monroe Doctrine.

Price, including postage, 30-cents a copy. Orders sent to *The China Weekly Review* will be forwarded to the publishers for execution immediately.

Men and Events

Mrs. J. H. Sun has been elected president of the Y.W.C.A. of China.

The Germans in Peiping have formed a Nazi branch with a membership of about fifty.

J. V. Crowe, manager of the Ford Motor Car Company in China, has gone to Manila on a business trip.

Mr. and Mrs. H. R. Isaacs of the *China Forum* have returned to Shanghai from a vacation in Japan.

Marshal Chang Hsueh-liang, who expects to spend the winter in Rome, has bought a villa in said city.

C. I. Barr, representative of Canadian National Railways at Shanghai, has been transferred of Hongkong.

M. L. Hotchkiss of the construction department of the Socony-Vacuum Corporation, has gone to Japan on vacation.

Reginald Sweetland of the *Chicago Daily News* has returned of Shanghai from a trip to Hsuchowfu, Tsinan and Tsingtao.

Mr. Chernov, representative of the *Tass News Agency*, has returned to Shanghai from a vacation at Pootoo Island.

The No. 9 down train from Tientsin was looted by bandits near the Hsinchi Station, in Shantung, on the night of Aug. 21.

Professor Ma Heng, the newly-appointed acting director-general of the Peiping Palace Museum, assumed his duties Aug. 25.

George H. Tinkham, United States Congressman, is visiting Japan on a vacation trip. It is stated that he may later visit Manchuria.

The 2400-ton Chinese naval transport *Chien An* will shortly be sold to the China Merchants Steam Navigation Company as a merchant vessel.

The Chinese Postal Savings and Remittance Bank has decided to create a simplified life insurance department to handle life insurance business.

Vice-Admiral Chan Chak, accompanied by Lin Chieh, First Secretary of the Chinese Legation in London, inspected the Portsmouth dockyard Aug. 22.

Three private universities in Peiping, namely the Yu Wen, Ping Min and Hua Kwang, have been closed down by order of the Ministry of Education.

Preparations are now under way for transporting the Peiping Palace treasures, which were sent here during the Sino-Japanese war in North China, back to Peiping.

The Capitol Theater and Lawn Cinema in Shanghai are closed. It is rumored that the concern operating them owes $20,000 in unpaid advertising bills to local newspapers.

Father Abilio Gallego of the Spanish Augustinian Mission was captured by bandits near Tungting take, while on his way to Yochow, Hunan, last week. He was later murdered.

Robert S. Ward, U. S. Vice-Consul recently transferred from a post at the American Legation in Peking to the Tientsin Consulate General, has returned from a vacation in Japan.

The *Shun Pao* says Liu Chung-chieh, Vice-Minister for Foreign Affairs, whose resignation has just been accepted by the Executive Yuan, may be appointed Chinese Minister to Italy. Other sources stated that his appointment will be to Germany.

M. Barkoff, the Soviet counsellor of Embassy and concurrently Soviet Consul-General for Tientsin, came to Shanghai during the week to consult M. Bogomoloff, the Soviet Ambassador.

Mrs. Vera Wavell divorced her husband, Harold Stanley Wavell of Shanghai at Los Angeles, August 23. Mr. Wavell was in the shipping department of the Texas Oil Company in Shanghai.

The Central Executive Committee of the Kuomintang has issued a circular order that censorship should not be applied to letters between foreign nationals in China or those sent to foreign countries.

The balance sheet of the Chekiang Industrial Bank, Ltd., as of June 30, 1933 shows cash on hand, $3,927,486.17, reserves for bank-notes issued, $3,447,400.00, and other assets to a total of $48,715,169.38.

F. T. Durdin, Managing Editor of the *China Press* departed this week on a vacation trip to Chengtu, Szechuen province. He will fly to Chungking, then travel to Chengtu by motor-bus.

Dr. and Mrs. J. C. McCracken of Shanghai were scheduled to return this week after a year's leave of absence in the United States. Dr. McCracken is head of St. Luke's Hospital on Seward Road.

The women's movement is expected to be revived in Shanghai shortly following the decision of the various women's organizations to organize an association for the promotion of women's welfare in October.

Maj.-Gen. Frank Parker has been assigned to command the Philippines area of the U. S. Army, succeeding Gen. Ewing Booth who will be transferred to the command of the Ninth Corps area on the Pacific coast.

Jefferson Caffery, Assistant Secretary of State, will exchange posts with Ambassador Sumner Welles in Havana on September 15. Mr. Caffery, is a career man and was formerly First Secretary in the Embassy in Tokyo.

In accordance with the petition of Dr. W. W. Yen, Ambassador at Moscow, the Executive Yuan has decided to instruct the Ministry of Finance to remit a sum of $20,000 as the initial expenses of the Chinese Embassy at Moscow.

It is announced that trial runs of railway trains over the new Pukow ferry will begin on September 20 and continue for a fortnight, preparatory to the inauguration of the through train ferry service on October 10, National Independence Day.

As a result of recent arrangements, the Ministry of Communications has begun to exercise control over all private-operated radio broadcasting stations in Shanghai, including the Chinese city, the International Settlement and the French Concession.

The monthly review of the Moscow Narodny Bank, Ltd., London states that Soviet orders and purchases in Britain amounted during the first half of the current year to £1,894,429 as compared with £4,681,675 during the corresponding period of 1932.

A recent message from Nanchang, capital of Kiangsi, stated that Gen. Hsiung Shih-hui, chairman of the Kiangsi Provincial Government, was attending office every day as usual. Rumors that he was seriously ill or had been assassinated were declared false.

The Foreign Ministry has received a telegram from the Chinese nationals in Siam urging that a commercial treaty should be concluded between China and Siam as soon as possible so as to give them treaty protection in that country. They also ask to have a Chinese Consulate established.

Two reporters from the London *Times*, Messrs. Fleming and Yorke, are at present in Kiangsi inspecting the war area as guests of the Kiangsi Provincial Government. They are now on a tour of inspection at Wuchow accompanied by Hsiao Shun-chin, a member of the Kiangsi Provincial Government.

In order to cope with the increasing number of calls between Nanking and Shanghai, the Ministry of Communications has instructed the Nanking Telephone Bureau, the Greater Shanghai Telephone Bureau and the Long-distance Telephone Bureau to expand the long-distance telephone service between the two cities.

The death occurred at Yuankiang, Yunnan, on August 17 of Dr. Charles E. Park, of the Presbyterian Mission as the result of a fall. The deceased helped in developing pioneer work in the Red River Valley in Yunnan, China for 13 years. His wife and one child are in Yuankiang and two children are in school in America.

The Shanghai Municipal Council and the City Government of Greater Shanghai are still negotiating the matter of factory control in the International Settlement. O. K. Yui, Secretary-General of the Shanghai City Government, however, issued a denial of a report that the Shanghai City Government would send a representative to the Foreign Municipality Council meeting on Sept. 3.

A Nanking message to the *Shun Pao* states that the reorganization of four provincial governments was decided upon at the recent Kuling Conference. The provinces affected are Kiangsu, Honan, Shantung and Chekiang. The decision was reached in consequence of a resolution of the Third Plenary Session of C.E.C. that military commanders should not be concurrently administrative heads of provinces.

Interviewed regarding reports that some of the Peiping cabarets have decided to employ Japanese dancing partners, Tsai Yuan, the director of the Bureau of Social Welfare, said that he is not worried in the least, because he is sure that few Chinese would go there and dance with Japanese girls during the present national crisis.

Under the auspices of General Ma Liang, an aged ex-officer and a Mohammedan, a National Mohammedan Association will soon be formed in Nanking. The Association will include representatives of all Mohammedan organizations throughout the country. Its object is to promote relations between Chinese and Mohammedans.

Professor Kiang Kang-hu, chairman of the Department of Chinese at McGill University, Canada, is revisiting Peiping after an absence of nearly eight years. Prof. Kiang plans to spend a month in the former capital proceeding to Szechuen, Kwangsi and Hunan to deliver lectures at various educational institutions there.

By order of the Ministry of Communications, hereafter press correspondents, who desire facilities for the despatch of press telegrams, both foreign and domestic, must apply in writing to the Department of Telegraphs and Telephones of the Ministry for a "Press Card." Otherwise, their telegrams will not be accepted for transmission. This order becomes effective from September 1.

The results of the competitive examination for the selection of candidates to be sent to Great Britain for post-graduate study, on scholarship to be awarded from the British Boxer Indemnity Refund, were announced in Nanking, Aug. 28. The nine successful candidates are Wang Pao-jen, Li Chao-chi, Li Chi, Tsen Ching-lien, Shih Sheng-han, Chou Chuan-ju, Tai Ko-hsien, Ku Hsueh-cheng and Wu Ta-jen.

Vernon Nash, head of the department of journalism at Yenching University, Peiping who has been in the United States for the past year, sailed from Seattle on July 14 on his way back to Peiping. Mr. Nash was accompanied by Mrs. Nash and their two children. While in America Mr. Nash served as exchange professor at the Missouri School of Journalism which is associated with the Yenching school at Peiping.

Figures published by the Statistical Department of the Inspectorate General of Chinese Customs reveal that during the first seven months of this year, vast quantities of precious metals have been exported from China. Silver valued at $84,908,378 flowed out of the country between January and July of this year, compared with $13,984,594 last year, while exported gold was valued at 21,248,483 Gold Units during the first seven months of the year, as against 31,628,033 Gold Units last year.

Chinese Postal Savings Bank Has Record Year

The report of the Postal Remittance and Savings Bank of China from July 1, 1931, to June 30, 1932 shows a record both for remittances and savings—this despite the fact that in said period occurred the Yangtsze floods, the Japanese occupation of Manchuria, the "Shanghai Incident" and the increasing encroachment of the world economic depression. The total remittances of all classes handled during the year amounted to $188,000,000, as against a previous record of $158,000,000, and the total savings deposits outstanding at the end of the year amounted to $27,000,000, as against a previous record of $24,000,000. These figures reached, as stated, in spite of exceptional difficulties, show that the financial services of the postal Administration meet a very definite meet.

Ministry of Education Allots Funds for Universities

The Minister of Education has decided on the following provision of funds for government universities in north China for the year 1933:—Peking University, $1,557,108; Peking National University, $900,000, Peking Normal University, $897,712; and Peiping College, Tientsin, $276,000. Other government educational institutions will receive funds as follows:—Central University, Nanking, $1,720,000; Shanghai Commercial College, $173,000; Chi Nan University, $630,664; Tung Chi University, $645,880; Chekiang University, $558,576; Wuhan University, $857,100; Shantung University, $502,784; Chung Shan University, Canton, $1,766,000.

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New Books of Interest in the Far East

Woodhead's Year Book of China

The China Year Book, 1933. Edited by H. G. W. Woodhead, C.B.E. *Published by the North-China Daily News & Herald, Ltd., Shanghai. M.$20.00.*

Mr. Woodhead's China Year Book is now in its fifteenth edition. Many will welcome the book as a most useful compendium of information, Having established itself in its special field, it carries on from year to year. andeven persons who recognize its shortcomings and are aware of its bias must make use of it at times rather than refer to a number of special sources of information. If, however, real accuracy is essential, it is far better to turn to direct sources, as the book contains many errors.

On the very first page of the text one meets with glaring misinformation regarding the population of China. One of the facts of first importance, recent Government figures—based on actual census returns in some provinces—are wholly ignored, and the wholly erroneous statement made that "the taking of a census by the methods adopted in Western nations has never yet been attempted in China." As a matter of fact it has been attempted a number of times, and though results are certainly not free from error, they are far more reliable than the 1910 Manchu Government figures, based upon families rather than individuals, and deliberately understating practically all the southern and western (revolutionary) provinces, particularly of course Kiangsu, Kwangtung, and Szechuan. The 1912 census of China, compiled by the Republic and showing about one hundred million higher population than the 1910 census, is wholly omitted from the Year Book. Also omitted is the careful and thoroughgoing count made by the China Continuation Committee a few years later, utilizing the far-flung mission organization, the Chinese Post Office, and various Government offices throughout the country, down to every *hsien* and village so far as possible, for its tabulation (showing a population of some 447 millions). Woodhead's book does not even mention these Republican and mission studies, nor the recent Government figures of some 474 millions, but erroneously gives the 1928 Post Office estimate of over 485 millions as the "official" figures. Most space of all is given the 1910 "Minchengpu Census," referred to as "the nearest approach to a reliable estimate," with no hint whatsoever of its being a part of the Manchu scheme for a parliament in which the radical southern and western provinces would be under-represented in favor of the northern. That the 1910 should be preferred to the much more accurate 1912 figures indicates a clear preference for the monarchy, and a bias against the Republic and all its works.

The book starts off with three quite misleading pages, from which the most important figures are omitted. It is to be hoped that the rest of the "General Information" is more reliable. It includes an enumeration of the foreign population, a new estimate of China's area, and sections on the geography, coastal configuration, orography, lakes, rivers, people, language, and fauna of China. Chapter II covers the climate of China.

Chapter III deals with Customs revenue and trade statistics. Here, with the official Customs returns available, there should be no question of fact. (There are also appendices showing China's foreign trade in 1931.) But in reality there is very serious doubt among some statisticians as to whether these figures are correct, especially as regards exports from China. The doubt arises through the fact that other countries' import figures from China are far in excess of the Chinese export figures to the same countries. So great is the difference, in fact, that whereas the Customs returns show China to be importing twice as much as she exports, it has been claimed that in fact imports and exports approximately balance. Remer, in his recent study of foreign investments in China, has brought out most strikingly these discrepancies, which are certainly worthy of mention in a book which claims to be "the only authoritative source of information on conditions and events in China at the present day."

Chapter IV deals with products—general, pastoral, and agricultural; Chapter V with colonies, leased territories, and settlements. Chapter VI with trade and commerce; Chapter VII with imports; Chapter VIII with public health and medical events during 1932; and Chapter IX with Greater China, divided into sections on Mongolia, Manchuria (and Manchukuo), Tibet, and Chinese Turkestan.

There is not a section of "Greater China" which is not touched with bias, misinformation, or omission of relevant facts. Outer Mongolia is erroneously referred to as a "Socialist Soviet Republic," and it is stated that the Tannu-Tuva Republic, to the northwest of Outer Mongolia, is "controlled from Moscow," though the British-edited *Encyclopedia Britannica* for 1930 includes it with Outer Mongolia, separate from the U.S.S.R., which has in fact diplomatic representation there, showing that any "control" exercised can be only of the "advisory" nature characteristic of Outer Mongolia.

The next section, on Manchuria, sets forth as a fact the Japanese claim that "before the conquest of China by the Manchus, Manchuria was the abode of various tribes of the Tungus race, sparsely distributed along the courses of the rivers." The further fact is not mentioned that from early historic times, dating back more than two thousand years, it was also the abode of Chinese, living mainly in the south, particularly in the Liaotung peninsula, and that the Manchus were Chinafied before the conquest of China, and carried this out in alliance with Chinese (and Mongol) Banners. This omission is of vital importance, and of direct bearing on the present situation, when the Japanese and their friend Mr. Woodhead are claiming that "Manchuria" was formerly not Chinese. But not only was the south of Manchuria inhabited mainly by Chinese, but as far back as any records go these Chinese, in their populous farming districts, constituted a majority of the Manchurian population, and in recent times an overwhelming majority.

A sub-section is entitled "The State of Manchukuo," without even the qualification of quotation marks. Interesting is this recognition by Mr. Woodhead of a "State" which no one else, excepting the Japanese, recognizes the existence of. Mr. Woodhead's own Government (if he is still to be considered a Briton) does not recognize it. But whatever the Chinese, British, and other Governments may say or think about the puppet regime in "Manchukuo," the *China Year Book* recognizes it as a "state."—which appears to be the first "diplomatic victory for the Changchun aggregation.

The section on Tibet seems to be a frontal attack upon China. The British invasion of Tibet in 1904 is represented as being due to "China having lost control over Tibet," though one may wonder how this happens to be Britain's business. Yuan Shih-kai's 1912 mandate "declaring Tibet to be an integral portion of China" is asserted to have been "in contravention of Chinese treaty obligations" (though Chinese suzerainty was clearly recognized by the Sino-British Conventions of 1906 and earlier). Britain's refusal to permit Chinese troops to enter Tibet to maintain Chinese authority is misrepresented as Britain's statement to China that the "suzerain" power could not "maintain there an unlimited number of troops." No mention whatsoever is made of the increasing British influence in Tibet after the exclusion of Chinese troops, or the British mission to Lhasa in 1921, or the British assistance in "settlement and development of the country" (something of which may be noted in Sir Charles Bell's informative though cautious article in the *Encyclopedia Britannica*), or the British training of Tibetan troops (described by David MacDonald, retired British Trade Agent in Tibet in "Twenty years in Tibet,") or the negotiation of local Sino-Tibetan treaties by the British Consular Agent Eric Teichmann, subject to the approval of the Indian Government, or the occupation, from time to time, of new Chinese territory by the British-trained Tibetan troops. In place of these things we find, in the *Year Book*, the following attack upon China:

"If the principle of determination of nationalities is in any way adhered to, China will be definitely and permanently ejected from any control in any way of Tibet, which will be restored to its ancient boundaries and independence" (evidently meaning as much territory as they can conquer from China and as much independence as the Indian Government will allow them). "If, on the other hand, the claims of *force majeure* are admitted, and if China's internal chaos ever allows her to attack her almost defenceless neighbors, she would undoubtedly once more install a system of Chinese administration at Lhasa . . . ." Think of a British Imperialist accusing China of attacking her "almost defenceless neighbors!" Neighbors, furthermore, with military forces trained by British and Indian officers, and protected from retaliation by the British refusal to permit the entry of Chinese troops into Tibetan territory!

The fourth section, on Chinese Turkestan (Sinkiang) gives the better part of a page to the Soviet's Turkestan-Siberian Railway and its possible effects on this great area. There is not a line, however, about the extension of the British Indian railways into Kashmir, adjoining the wealthiest areas of Sinkiang, jade and gold being abundant here in southwestern Sinkiang, with oil further northwest, and a steady trade between India and Sinkiang. Strange indeed to find such striking modesty with regard to the achievements of British business in this area!

To go into all the errors of commission and omission the various misstatements, the attacks upon China would probably occupy a book larger than the one under review. Let one more example suffice. In the chapter on the Kuomintang it is falsely stated that "a sensational proposal urging the concentration of troops to recover Manchuria if an opportunity arises, demanding the direction by the Kuomintang and the Government of a nationwide boycott against 'enemy' goods and condemning the dilatoriness of the League of Nations in regard to the Sino-Japanese dispute was submitted to the Third Plenary Session of the Central Executive Committee by seven prominent leaders," the "sponsors of the resolution" being T. V. Soong, Sun Fo, Wu Te-chen, Chen Kung-pu, C. C. Wu, Chang Hui-chang, and Chen Cheh. The provisions of the resolution are given in the *Year Book*, and it is stated that "although the proposal created considerable sensation, it was not adopted by the Conference."

As a matter of fact, this reported resolution was flatly and promptly denied by the alleged sponsors of it, who declared that it was in no way their proposal. But this repudiation of it is not even mentioned in the volume which claims to be "the only authoritative source of information on conditions and events in China at the present day."

There may be some improvements, of a more or less negative character, over previous issues. But on the whole it is to be wondered at that the Chinese Government actually assists, with materials and various data, a publication of this kind. It seems likely that there will soon be in existence a rival publication giving a wide range of facts upon China,—and it is to be hoped that the new publication will be a far more reliable and trustworthy one. At present, unfortunately, Woodhead's China *Year Book* is the only one in existence. The sooner this is remedied the better for China. H. H.

British and Germans Principal Beneficiaries of American Loan?

American circles in China are considerably exercised over fairly well-established evidence that an effort is being made to bring about the purchase of British and German equipment for the proposed National Machine Shop with a portion of the proceeds of the US$50,000,000 loan made to China by the United States Government. Representations are being made on the matter to Nelson T. Johnson, American Minister to China, in an effort to safeguard American participation in this loan.

Any obligation upon the Chinese Government in this connection, it is to be noted, rests upon the ethics in the case as the loan was granted without any stipulation as to the purposes, or with whom, it was to be spent. The failure to provide for preferential consideration of American manufacturers in the expenditure of proceeds of the loan is generally criticized by the American community in China.

The American Chamber of Commerce at Shanghai, is stated to be in favor of the idea of purchasing American equipment and also wishes to utilize a part of the money in paying American creditors of the National Government.

Recent purchases of Pacific type locomotives from England for the speeded-up Shanghai-Peiping schedule, the proposed purchase of ships from England for the China Merchants' Steam Navigation Company, and anticipated purchase of British irrigation and other agricultural machinery for China—all from the British Boxer Indemnity Fund have been cited by local sources as ethical precedent for the reported move toward securing preference for American manufacturers on expenditure of the American U.S.$50,000,000 cotton and wheat loan.

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OBTAINABLE AT

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII Shanghai

Yellow River Still Causes Anxiety

The fate of the inhabitants of the Yellow River basin is at present still in a similar state of suspense as last week. The principal disturbing feature was a heavy rainfall in Kansu August 16 which caused a rise in the gorges of 400 feet. As against that, reports from Shantung continued to register a fall, for example at Lokow.

At Lokow, a city only seven miles away from Tsinan, the water level of the Yellow River on Aug. 24 was thirty feet six inches, nine inches below the top of the dykes.

An urgent message from Shenchow, north-western Honan beginning of the week reported that the Yellow River there had risen more than 30 feet. This sudden rise in the upper reaches has increased the already serious flood situation and it is feared that further disasters may be inflicted on Honan, Shantung and Kiangsu. The Honan Provincial Government has ordered that strict vigilance be instituted at important points on the dykes along the southern bank and that sand-bags be piled at the city gates of Kaifeng for protection from the flood. In the event of an emergency, gongs will be sounded as a signal for the inhabitants of the city to come forward and assist in the task of keeping the water out.

According to a report of Chang Lien-chia, Director of the Shantung Provincial River Affairs Bureau, the extent of the floods in Shantung is unprecedented. Within the area occupied by the five districts of Puchow, Fanhsien, Shouchang, Yangku and Tungak, a large piece of land nearly 60 miles long and 20 miles wide is inundated. West of Lokow, at Pingyin and Changtsing, all private dykes, large and small, have collapsed; while south-western Shantung has been converted into a large lake.

Chiahsiang and Chuyeh, two important cities in Western Shantung, and the neighboring districts were cut off completely from the rest of the world last week as a result of disastrous floods, which have destroyed both the telephone and telegraph communications.

The districts in Western Shantung under water are Shouchang, Fanhsien, Puhsien, Chenhsien, Hochen Yunchen, Chuyueh, Chiahsiang, Tsining and several other small cities. The territory has been converted into a vast sea in which only the tree tops can be discerned from the air. It is estimated that at least 5,000 villages have been inundated and a conservative calculation places the number of people rendered homeless by the flood at 2,000,000 persons.

An emergency meeting was called by General Han Fu-chu, Chairman of the Shantung Provincial Government, Aug. 25 which was attended by members of the Provincial Relief Committee. It was decided that both organs are to appropriate $70,000 each for urgent relief.

The flood danger in Shantung, beginning of the week shifted to Lokow, north of Tsinan, and the region west of Lokow, where the Yellow River has burst through its banks at many points.

Air Surveys of Flood Area

Sun Tung-kang, the Chinese aviator who flew from Berlin to Nanking, is lending his plane and services to the Shantung official investigating the floods in the Yellow River basin. Mr. Sun flew an official over several hsien last week.

Various breaks occurred during the week in the Yellow River embankments in Western Shantung. Sun Tung-kang, the Chinese aviatior, made a second aerial survey Aug. 24, over the flooded districts and distributed leaflets from the air assuring the victims of relief.

The flood menace to northern Kiangsu hinges upon the state of the Weishan Lake, on the Shantung-Kiangsu border. The flood waters from western Shantung are reported to be heading for the Lake, whence they will enter the Grand Canal by the Linchia waterlock.

An interesting account of an airplane tour end of last week over the affected area was given by Wang Ying-yu, Vice-Chairman of the Yellow River Conservancy Board. Mr. Wang passeed over Hsuchow and Fenghsien, northern Kiangsu, and noticed that although the current was still strong at the Tasha Ho, the waters were confined within the river-bed. He then flew westward along the route of the old Yellow River bed, passing Yucheng, and Lanfeng, northeastern Honan, where he found that the water had stopped pouring in from the break on the dykes. He then flew to western Shantung, passing over Houcheng (Honan), Hotse (Shantung) and the vicinity of Changyuan (Hopei). Although no more water was entering from the breaches, he reported, one could see nothing but sheet after sheet of water in the affected areas. Tungming and Hotse were completely isolated.

According to a telegram from the district magistrate at Sutsien, northern Kiangsu, the flood waters of the Yellow River which entered the Grand Canal are emptying into the Liutang Ho, a tributary of the Canal.

The Yellow River in Kansu rose 14 feet early in the week.

A portion of the dykes on the lower reaches of the Yellow River in Shantung collapsed Aug 19.

Part of the flood waters from Tungah, penetrating southward, have reached the environs of Tungping. Two sections of the district have been converted into miniature lakes.

An official message from Taiyuan, Nanking, Aug. 26 on the flood situation in Shansi province stated that from 70 to 80 districts in the province, most of which are in southern Shansi, have been affected by floods.

The Huai River Conservancy Commission has approached the British Boxer Indemnity Commission for a loan of $8,000,000 to finance conservancy work along the river.

Chinese telegrams from Sianfu, the capital of Shensi, last week stated that 34 districts in Kwanchung were affected by the floods caused by the recent heavy rains and summer mountain freshets. The worst affected areas are in the Wei River valley, where thousands of people were rendered homeless.

Critical Situation in Northern Honan

A critical situation his again developed in northern Honan, with the collapse of a portion of the Yellow River dykes at Chungmou, midway between Chengchow and Kaifeng. The breach there is about 70 feet wide.

A telegram from Kweitch, provincial capital of Suiyuan, reports that the area south of Haotow, the terminus of the Peiping-Suiyuan Railway, is flooded. Due to the overflow of the Yellow River there, the rice-fields on both banks are submerged while many farm cottages have been swept away.

General Chiang Kai-shek last week telegraphed to the Central authorities requesting that adequate precautions be taken against a flood disaster in northern Kiangsu.

The present flood disaster along the Yellow River is greater than any in the last fifty years, according to Li Yi-chih, Chairman of the Yellow River Conservancy Board, who arrived in Nanking Aug. 24 from Sian, provincial capital of Shensi, to preside over the joint Flood-Prevention Conference.

With the situation along the Yangtsze River returning to normal the recently organized Yangtsze Flood-Prevention Committee will wind up its affairs on September 10. The Committee has transferred 30,000 sandbags to the Yellow River Conservancy Board for flood-prevention in the Yellow River valley.

The flood situation in north-eastern Kiangsu abated Aug 28. Motor-traffic between Hsuchow and Fenghsien has now been restored. Passengers, however, must be ferried across the Tasha Ho.

Reports received in Tientsin Aug 25 stated that the Yellow River in Hopei continues to rise, the water mark being 60 feet three inches higher than the sea level at Taku and 1.6 inches higher than last year's record.

Will Wang Ching-wei Give Japan What She Wants?

(Japan Chronicle, Aug. 20)

The taking over, temporarily, of the Nanking foreign portfolio by Wang Ching-wei, head of the Executive Yuan, has caused hopes to be expressed in Japan that now Japan may get what she wants, as Mr. Wang is said to have been ready to listen to reason. But the Kuomintang Government has issued an informal statement pointing out that foreign policy does not depend entirely on the foreign minister of the moment. His decisions are subject to the sanction of the Supreme Council. This sounds a little discouraging, as friendly feeling towards Japan and a readiness to accept her proffered bargains is not very common in Kuomintang circles. Indeed, the Japanese General Staff, about Christmas last, was reported as issuing a statement the for the security of Japan, the Kuomintang must be destroyed.

Head of Roosevelt's "Brain Trust" Resigns

Dr. Raymond Moley, head of the Roosevelt "brain trust," originator of many of the moves in the Administration's program, resigned his post as Assistant Secretary of State Aug. 27. He will establish an economic journal in New York, which Vincent Astor will finance.

After a long conference with President Roosevelt at Hyde Park, August 25, Secretary of the Treasury Woodin declared that neither inflation nor his resignation was discussed. He said he assured the President that the Treasury was in a healthy condition.

A recent Washington telegram stated that President Roosevelt's aim at present is to restore prices and prosperity to the 1924 and 1925 levels, but there is every indication that he will only use the inflationary weapon as a last resort.

The silver question has again became a disturbing factor for economists, particularly in America, owing to the fact that the production increased by 778,000 ounces in July. The actual world production in July was 12,609,000 ounces, compared with 11,831,000 ounces in June. Silver producers are preparing a campaign to encourage a wider use of silver in industry.

A joint announcement Aug. 25 by the U. S. Department of Commerce and the Department of State stated that they are discontinuing assistance to individual firms conducting business abroad. The classes of commercial service discontinued are special market surveys for individual firms and negotiations or transactions on behalf of such firms.

Over a million and a half unemployed persons in the U.S.A. have been reabsorbed in the quarter ending June 30, but 11,000,000 persons are still idle.

Montagu Norman, Governor of the Bank of England, has arrived in the United States to confer with Secretary of the Treasury Woodin, and President Roosevelt.

A 15 per cent reduction in the United States wheat acreage has been decided upon in consequence of the agreement signed in London.

Samuel Insull, former head of the gigantic $3,000,000,000 Insull group of utility companies, who has been "wanted" on serious fraud charges, was arrested in Greece Aug. 26 on new charges. The American Government is asking for his extradition.

Secretary of the Navy Swanson, signed two contracts Aug. 25 for the construction of two aircraft-carriers and two light cruisers, aggregating $61,250,000.

General Hugh Johnson, Industrial Recovery Administrator, August 23 discussed the problem of loosening commercial credit for financing the overhead expenditure involved in the national prosperity push with the Federal Reserve Board and the Reconstruction Finance Corporation.

The foreign trade of the United States for July showed exports U.S.$145,000,000, and imports U.S.$143,000,000—an increase in exports of U.S.$25,000,000 and of U.S.$21,000,000 in imports compared with the previous month.

Following a conference with Norman Davis, his Ambassador at large in Europe, President Roosevelt indicated Aug. 22 that the United States would support the proposal of France for supervision and control of armaments by an international commission.

Twenty-four people were killed and many others injured by a terrific hurricane which swept the eastern states of America latter part of last week.

California Legion Votes Against Liberalization of Exclusion System

The California branch of the American Legion, after having voiced its opposition to any liberalization of the United States immigration laws in a resolution adopted by its convention in session at Pasadena, Cal., is preparing to seek the support of the national organization in opposing any change.

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If you are interested in China you must be interested in the latest developments in the following fields:

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8. Facing Labor Issues in China ..... By C. H. Lowe	$2.70	„ 1.25
9. Shanghai Industrialization; Report based on investigations of China Institute of Economic and Statistical Research, National Government Directorate General of Budgets, Ministry of Industries, National Tariff Commission, Shanghai Bureau of Social Affairs and Chaotung University, by D. K. Lieu	$1.15	„ -.60
10. Silk Reeling Industry in Shanghai: Based on extensive survey by the China Institute of Economic and Statistical Research, made from May to July, 1931, supplemented by second survey during the same months of 1932, covers quality of silk produced, productive capacity of filiatures, number of reels, etc., by D. K. Lieu	$2.15	„ -.95

These pamphlets ranging from 12 to 200 pages were written by Chinese specialists in their respective lines. They were prepared for presentation at the Conference of the Institute of Pacific Relations at Banff, Canada. Those desiring copies, should send their orders with draft or postal money-order attached to the undersigned.

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Shanghai.

Immediate Relief From Teething Pains

Anything that will relieve teething pains is indeed a godsend at this trying period. But a remedy—guaranteed non-narcotic and containing no harmful drugs whatever—is doubly welcome. Such a remedy is Baby's Own Tablets. In the past, parents, in desperation and also because there was nothing else available, have had to use the so-called "soothing remedies" which invariably depended upon narcotics or opiates to bring relief. As every modern mother now knows these things are harmful and often dangerous. But Baby's Own Tablets, designed by a highly qualified physician of special experience in children's troubles, act in an entirely different way. The tablets, pleasant in taste and easy to administer, immediately settle the stomach and cleanse the whole of the digestive tract. It is the upset in these organs which causes teething pains. The results are immediate and pains are often banished in a few minutes. As the tablets have also a gentle, natural laxative action they are invaluable as a general health-corrective when baby is fretful, irritable, has no appetite, vomits milk, is constipated or suffers from flatulence. They are safe for the youngest or most delicate baby, and also effective in the prescribed dosage for children's health troubles up to about seven years of age. All wise parents keep Baby's Own Tablets handy.

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The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

"Problems of the Pacific" by Bruno Lasker; standard book of reference for those interested in the complicated affairs of the Far East ..... Price M.$15.00

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Real Estate Review of the Eastern District, by Realty Investment Company

This district is rapidly rivalling the Far Western district as a center of trading activity. Rentals continue to be good, and very few vacancies are to be found in the newer places. The past month has been notably good in this respect.

Building Activities continue at a rapid pace on the factories, godowns, shops and hongs, under construction at the present time. The Yangtszepoo Police Station has moved to their new quarters at the corner of Glen and Pingliang Roads. Closer in, on Pingliang Road, one of the largest buildings under construction is a five storied cement godown, Chinese owned. This is nearing completion on the exterior.

RECENT SALES

On Dalny Road an area of Mow 0.5.6.3. at $25,000. per mow.

On Rue de Sieyes an area of Mow 4.1.9.7. developed property $118,000.

34 Mow Yu Yuen Road west of Edinburgh Road Title Deed land at $20.000. per mow.

20 Mow on Monument Road near Pearce Road, Fangtan $800. per mow.

The National City Bank of New York, Rates of Exchange

Shanghai, August 30, 1933.

Demand selling rate on America:	U.S. $100=Sh. $351.65
Demand buying rate on America:	U.S.$100=Sh. $347.07
Demand selling rate on London:	£1.0.0=Sh. $ 16.00
Demand buying rate on London:	£1.0.0=Sh. $ 15.73

Latest New York Stock Exchange Quotations

Market—Irregular Business Done 3,120,000 Shares

August 30, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Aug. 28	Tue. Aug. 29
113¼	15⅝	—	Adams Express	11½	11¼
31	7⅝	.60	Alaska Juneau	28⅞	32
85	42½	•6.00	Allied Chemical & Dye	142¾	140½
97½	29⅝	4.00	American Can	92⅞	93¼
19⅝	2	—	American & Foreign Power	13½	14¼
44⅞	5	—	American & Foreign Power 7% Pfd.	27	27½
13⅛	1⅛	—	American & Foreign Power Warr.	9⅜	9⅜
23⅝	1¼	—	American Metal Co.	20	20¾
42¼	5⅛	—	American Smelting	38½	40¼
137⅝	70¼	9.00	American Telephone & Telegraph	130	128⅞
94⅜	44	5.00	American Tobacco "B"	29¼	90
43¼	11	1.00	American Waterworks	30⅜	30⅜
22⅞	3	—	Anaconda Copper	18½	18¾
18⅝	4¼	—	Atlas Corporation	Unq.	Unq.
151¾	28¾	2.00	Auburn Automobiles	62	61
87⅞	8¾	—	Baltimore & Ohio	35⅜	36
49¼	7¼	—	Bethlehem Steel	41⅝	41
43⅛	18	1.60	Borden Company	27⅝	27⅞
21⅝	3⅜	—	Borg Warner	20½	19⅞
20⅞	7¼	—	Canadian Pacific Railway	16¾	17¼
103½	16¾	—	Case, J. I.	77⅝	77⅜
47⅞	19	1.40	Chase National Bank	28	27⅞
52⅛	4⅞	2.00	Chesapeake Corp.	51	51
42¼	5	—	Chrysler	46¾	46⅝
28⅛	4¼	.80	Columbia Gas & Electric	19⅛	19⅝
7⅝	1⅜	—	Commonwealth & Southern	3⅜	3¼
68¾	31½	3.40	Consolidated Gas of N. Y.	49	49½
19½	3⅝	—	Continental Oil	17⅜	17
80⅝	24¾	3.00	Corn Products	89½	87½
7½	1¼	—	Coty Inc.	5⅝	5¾
4⅜	⅞	—	Curtiss Wright Company	3¼	3¼
18⅝	5	.75	Douglas Aircraft	15¼	15⅛
68½	23	3.00	Drug Incorporated	46½	46⅜
85¾	22	2.00	Du Pont de Nemours	88⅛	88½
89¾	35¼	3.00	Eastman Kodak	85¼	84
48	5	6%S	Electric Bond & Share	25	25½
16	2¾	—	Electric Power & Light	9¼	9⅛
10¾	2⅞	—	General Aviation	8¾	8⅛
80¼	8½	.40	General Electric	25¾	25⅜
40½	19⅝	1.60	General Foods	37⅜	37⅝
84¼	7⅜	1.00	General Motors	35⅛	34
49½	6⅛	1.00	General Railway Signal	42	41
27⅜	8¼	1.20	Gold Dust	23⅜	22½
47½	5¼	—	Goodyear Tire & Rubber	40⅝	39⅜
40	3⅝	—	International Cement	34½	33½
46	10⅝	.60	International Harvester	42⅛	41⅝
22	3¼	—	International Nickel	21	20⅜
21¾	2⅝	—	International Telephone & Telegraph	17⅝	17⅝
60⅜	10	—	Johns Manville	58⅜	58
25⅞	4⅞	—	Kennecott	22⅞	22⅞
79⅜	30½	2.40	Lehman Corporation	Unq.	78½
97⅜	34½	•4.00	Liggett & Myers, "B"	97	96
37¾	9	1.00	Loew's: Inc.	33⅞	33
25¼	9	1.20	Lorillard P. Co. (Com.)	23	22⅞
27⅞	12	1.00	McIntyre Porcupine	25¼	26⅛
28⅞	3¼	—	Montgomery Ward	28⅜	27⅜
64⅛	19¾	1.00	National City Bank (bid price)	30⅞	30¼
104⅞	18	—	National Distillers	96½	93
58½	8¾	—	New York Central	52	52¼
48¼	13¾	80%S	North American Company	26⅜	24⅜
96¾	12	2.00	Owens Illinois Glass	82½	82
37	16⅞	2.00	Pacific Gas & Electric	24⅜	24
6⅞	1¼	—	Packard Motors	5¼	5¼
42¼	6⅛	.50	Pennsylvania Railroad	38½	38⅝
6⅛	1	—	Pennroad Corporation	4¼	4¼
17⅞	2	—	Phillips Petroleum	15⅝	15⅜
18½	2⅛	—	Radio Corporation	9	9
7¾	1	—	Radio-Keith Orpheum	3⅜	3½
50½	26½	3.00	Reynolds Tobacco "B"	53⅝	53¼
47	9⅞	—	Sears Roebuck	48	48½
11⅝	2½	—	Shell Union	9⅛	8⅝
15½	5¼	—	Socony-Vacuum Corp	12⅞	12⅝
32¾	15¾	2.00	Southern California Edison	20⅝	20⅜
34¼	5¼	—	Standard Gas & Electric	15⅝	15⅛
41⅛	19⅞	1.00	Standard Oil Co., of N. Jersey	39⅜	39⅜
28⅝	9¼	1.00	Texas Corporation	25¾	25⅝
34⅞	12	1.00	Texas Gulf Sulphur	34	33
9½	2¼	—	Trans America	7⅝	7⅜
51⅞	15½	1.00	Union Carbide & Carbon	50	49⅜
132	27⅝	6.00	Union Pacific	130	131½
46⅞	6¼	—	United Aircraft & Trans.	39⅞	39⅝
14½	3½	—	United Corporation	8⅜	8⅜
25	9¼	1.20	United Gas Improvement	19¼	19⅝
25	1¼	—	U. S. Rubber	19⅜	19⅜
67½	21¼	—	U. S. Steel	57¼	56⅝
51½	11	2.00	Universal Leaf Tobacco	47⅞	47½
36¼	5¼	—	Vanadium	27⅜	27½
8½	½	—	Warner Bros. Pictures	8¼	8
88⅞	15⅝	—	Westinghouse E. & M.	47½	46⅝
50⅞	22	2.40	Woolworth	39	39¼

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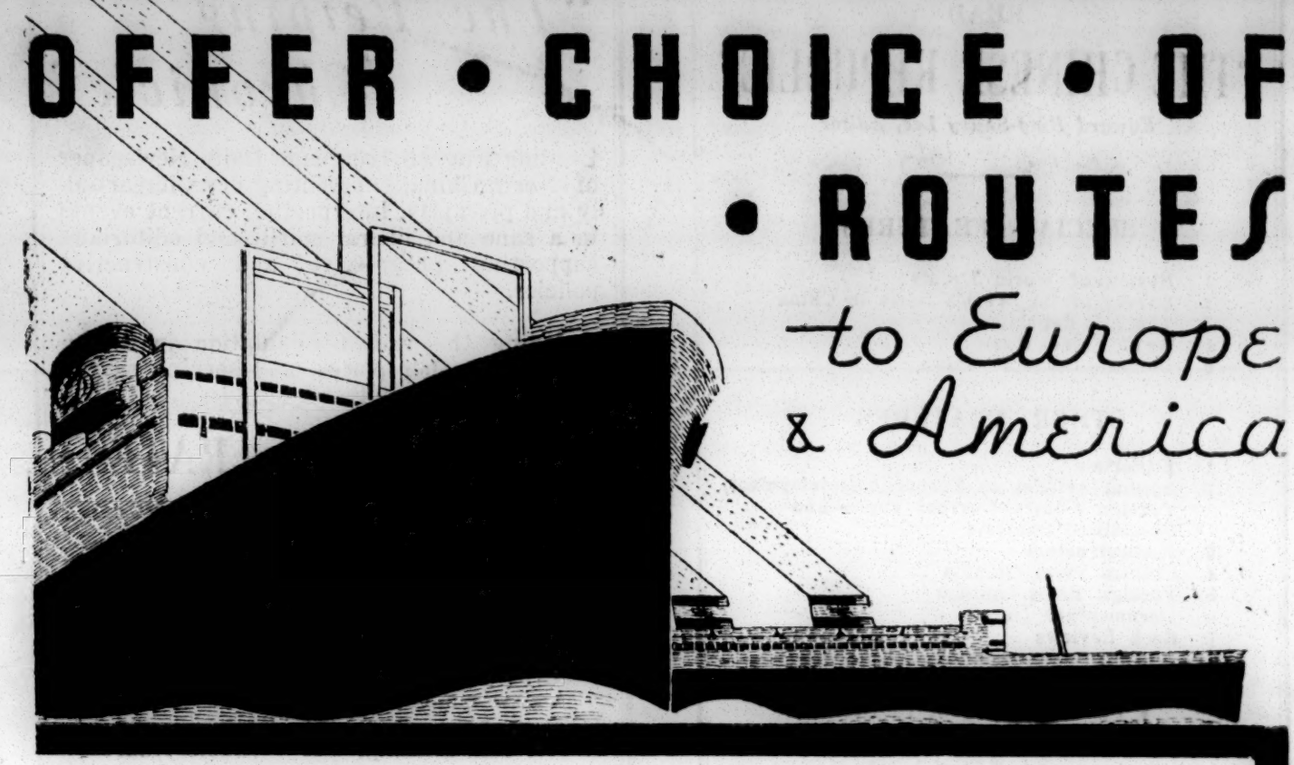

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